ABRIDGED INTEGRATED ANNUAL REPORT 2022

ABOUT THE REPORT

BOUNDARY AND SCOPE

The aim of this Abridged Integrated Annual Report is to provide stakeholders with a balanced and holistic view of both the financial and environmental, social and governance (ESG) impacts of RCL Foods Limited (RCL FOODS or the Group) to enable them to obtain a better understanding of its long-term prospects. The report also includes the financial performance of RCL FOODS' joint ventures and associates. It covers the performance for the twelve months ended June 2022 and provides an overview of operations of the Group with relevant comparatives to the previous period.

MATERIAL ASPECTS AND COMPARABILITY

Materiality has been applied to qualitative and quantitative disclosures contained in this report. An item is considered material if it could influence the decisions of our business and its stakeholders. There have been no significant changes to the content and scope of this report from prior years. To enhance the comparability of information, certain comparative figures may have been restated and these have been noted as such.

ASSURANCE AND APPROVAL

The Board acknowledges its responsibility for the content of RCL FOODS' Abridged Integrated Annual Report. The Board has contributed to the identification of matters that are material to RCL FOODS and these matters have been used to select relevant information to be addressed in the report. Management has prepared and verified the information in the report, ensuring an accurate, balanced, and comprehensive overview of the organisation. The information has been verified by a combination of internal and external assurance providers. Details of the assurance element and providers are set out on page 1 of the Annual Financial Statements, available on our website at www.rclfoods.com/financial-results-and-reports-2022. The report has been reviewed by the RCL FOODS Audit Committee and Board who have assessed its content and believe that the 2022 Abridged Integrated Annual Report is presented in accordance with the <IR> Framework, that it addresses all material issues and fairly presents the integrated performance of the Group. The Board has authorised the release of this report at the RCL FOODS Board meeting held on 2 September 2022.

RCL FOODS values feedback and therefore welcomes any questions or comments regarding this report. These can be emailed to the Company Secretary, Lauren Kelso, at lauren.kelso@rclfoods.com. Stakeholders are also directed to the Group's website for this report and other relevant additional supporting reports, Board committee charters and compliance information.

RELATED REPORTS

This Abridged Integrated Annual Report forms part of, and should be read in conjunction with, a suite of reports available online on our website, namely:

- Sustainable Business Report
- Annual Financial Statements
- Corporate Governance Report
- Remuneration Report
- King IV Application Register

REPORTING GUIDANCE

IFRS

INTEGRATED REPORTING <IR>

THE GLOBAL GOALS For Sustainable Development

JSE

INSTITUTE OF DIRECTORS SOUTHERN AFRICA

ICON REFERENCES

Our capitals

- FINANCIAL CAPITAL
- HUMAN CAPITAL
- INTELLECTUAL CAPITAL
- MANUFACTURED CAPITAL
- NATURAL CAPITAL
- SOCIAL AND RELATIONSHIP CAPITAL

Our stakeholders

- COMMUNITIES
- CONSUMERS
- CUSTOMERS
- EMPLOYEES
- GOVERNMENT
- INVESTORS AND FUNDERS
- MEDIA
- SUPPLIERS

FURTHER READING

- Signifies that related information is available online at www.rclfoods.com
- Directs readers to the page in the Abridged Integrated Annual Report with more details
- Directs readers to the page in the Sustainable Business Report with more details
- Directs readers to the page in the Corporate Governance Report with more details

Shareholders are reminded that they are entitled to a hard copy of this report on request. This can be obtained by contacting the Company Secretary on +27 31 242 8600 or at lauren.kelso@rclfoods.com

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OUR BUSINESS AT A GLANCE

WHO WE ARE

WE OPERATE THROUGH:

MORE THAN
260 operations

OVER
20 000 employees

MORE THAN
30 brands
IN OVER 20 CATEGORIES

OUR
DO MORE
FOUNDATION

PRODUCING:

- **93 million** jars of mayonnaise
- **24 million** jars of peanut butter
- **31 million** bags of pet food
- **120 million** pies
- **49 million litres** of beverages
- **350 000 tons** of flour
- **240 million** units of bread, buns and rolls
- **33 million** units of Speciality products
- **677 000 tons** of sugar sold externally
- **300 000 tons** of chicken products
- **1,2 million tons** of animal feed

ACROSS OUR THREE BUSINESSES:

RCL FOODS VALUE-ADDED BUSINESS	RAINBOW*	VECTOR LOGISTICS
REVENUE CONTRIBUTION: **R21,2 billion**	REVENUE CONTRIBUTION: **R11,4 billion**	REVENUE CONTRIBUTION: **R3,7 billion**
EMPLOYEES: 9 544	EMPLOYEES: 6 439	EMPLOYEES: 5 728

BUSINESS UNITS

RCL FOODS VALUE-ADDED BUSINESS	RAINBOW*	VECTOR LOGISTICS
GROCERIES Grocery, Pies, Beverages	**RAINBOW** Rainbow, Epol and Driehoek Animal Feed	**SALES SOLUTIONS**
BAKING Milling, Bread Buns & Rolls, Speciality		**SUPPLY CHAIN INTELLIGENCE**
SUGAR Sugar, Molatek Animal Feed		**WAREHOUSING**
		DISTRIBUTION
		IMPORTS/ EXPORTS
		CREDIT MANAGEMENT

* *Formerly Chicken Division*

VALUE WE CREATE

OUR 2022 FINANCIAL HIGHLIGHTS:

REVENUE	EBITDA	UNDERLYING[1] EBITDA	HEADLINE EARNINGS	UNDERLYING[1] HEADLINE EARNINGS	HEADLINE EARNINGS PER SHARE (HEPS)	UNDERLYING[1] HEPS	TOTAL DIVIDEND DECLARED PER SHARE
R34,9 billion	R2 595,7 million	R2 580,3 million	R1 054,0 million	R1 026,8 million	118.6 cents	115.5 cents	45.0 cents
↑ 10.2%	↑ 7.7%	↑ 2.0%	↑ 10.0%	↓ 1.8%	↑ 9.9%	↓ 1.9%	

FOR OUR COMMUNITIES

R11,8 million invested in community social development through the DO MORE FOUNDATION (2021: R7,8 million)

Over 15 million meals provided to communities impacted by the July 2021 unrest and the April 2022 flooding

R36,4 million in lease payments received by land claim beneficiary communities in Nkomazi[2] (R5,6 million lower than 2021 due to lower sugar cane yields)

FOR OUR CONSUMERS

More than 30 culinary, pet and animal feed brands – 11 of them market leaders

New value innovations support cash-strapped consumers

Price increases carefully managed

73% more online purchases via Takealot and retailer-owned platforms

11 market leading brands

YUM YUM
NOLA
NUMBER 1 MAGEU
MONATI*
OUMA
RAINBOW Simply Chicken
Bobtail
CANINE CUISINE
catmor
Epol**

* Monati Traditional
** Horse Feed category

FOR OUR CUSTOMERS

We produce private label products for 34 customers in 44 categories

Strong retailer partnerships supported robust growth in Pet Food

YOUNG CHEFS CHALLENGE '21

We co-sponsored two programmes to help kickstart the hospitality industry after the lockdown:

- The Young Chefs Competition for trainee chefs
- The Sekela Hospitality Support Programme for black-owned hospitality businesses

FOR OUR EMPLOYEES

20 793 permanent jobs and 918 temporary jobs provided (including fixed-term contracts, excluding contractors)

R48,1 million spent on training and developing 9 367 employees (2021: R32,6 million and 9 250 employees)

Launched YouMatter Employee Wellness Programme for RCL FOODS employees (Groceries, Baking and Sugar) and their families – similar to that run in Vector Logistics

Our 8-year Employee Share Ownership Scheme unfortunately was unable to deliver value for RCL FOODS employees

FOR OUR GOVERNMENT

R347,1 million paid in income tax and **R665,6 million** paid in VAT (2021: R335,1 million and R528,5 million)

PROGRESS WITH IMPLEMENTING THE NATIONAL INTEGRATED EARLY CHILDHOOD DEVELOPMENT POLICY THROUGH THE DO MORE FOUNDATION

Continued commitment to master plans for the sugar industry and poultry sector

Collaboration to ensure food security during the social unrest and flooding

FOR OUR INVESTORS & FUNDERS

We paid R402,9 million in dividends

We paid R258,2 million in finance costs

Return on Invested Capital increased to 8.8% (2021: 8.5%)

We declared a total dividend of **45.0 cents** per share (2021: 45.0 cents)

FOR OUR SUPPLIERS

51% of chicken supplied through contract growers (2021: 51%)

R326 million in revenue generated by growers, which was 12% lower due to less favourable cane growing conditions

R89 million in contracts awarded to companies owned by land claim beneficiaries[2] (2021: R98 million)

R11,6 billion spent on B-BBEE procurement (2021: R11,8 billion)

[1] *The underlying view of the results excludes material once-offs and accounting adjustments.*
[2] *Between 2007 and 2012 we sold the majority of our Nkomazi agricultural operations in settlement of land claims in the region. After establishing partnership agreements with the claimant communities, three community-based joint ventures (CBJVs) were established, which lease back the agricultural land assets at market rates from these communities.*

WHAT DRIVES US

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 VALUES

Four powerful values drive the way we do business.

- RESPECT FOR PEOPLE
- ACT RESPONSIBLY
- UNCOMPROMISING INTEGRITY
- SEEING AND DOING THINGS DIFFERENTLY

OUR WAY

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 CURIOUS
- MORE BRAVE
- MORE SPEED
- MORE OPEN
- MORE YOU

OUR SUSTAINABLE BUSINESS DRIVE

Our Sustainable Business Drive is about creating the future.

Underpinned by Our Passion, it sets out **our response** to the **most critical social and environmental challenges** we face. Our Sustainable Business Drive enables us to secure the future for our business, whilst establishing **competitive advantage** in a fast-changing world.

OUR BRANDS

RCL FOODS is the home of over 30 household brands, many of them market leaders in their respective categories.

Our brands span from much-loved South African classics generating over R1 billion in annual revenue, to newer ones with growing relevance. Together they enable us to meet the diverse and evolving needs of our consumers in South Africa and beyond.

In support of Our Ambition to build a profitable business by creating food brands that matter, we are constantly investing behind our brands to grow our market share in existing categories and to extend into adjacent and new categories. In this way we aim to keep our business relevant and resilient.

R1 billion plus

R400 million to R1 billion

R100 million to R400 million

R100 million and under

OUR BRAND HIGHLIGHTS

EMBRACING NEW WAYS WITH OUR VALUE-ADDED BRANDS

"Tradition doesn't have to stand in the way of new things," says Gogo at the end of Nola's popular new TV commercial. Our brands are embracing new ways as we seek to deliver solutions that meet our consumers' changing needs and deliver wellbeing.

Nola's on a mission to embrace new ways and #CreateAStir

In our new Nola TV commercial, "Embracing New Ways", Gogo creates a stir among the younger generation with the innovative way she uses her Nola Mayonnaise.

The commercial breaks stereotypes around meal-making beliefs and practices across generations in South Africa. Based on the latest South African consumer insights, it shows that young people still respect traditional ways of cooking and the older generation is surprisingly willing to try new ideas and cooking methods. It clearly struck a chord with viewers, scoring a place among Kantar's Top 10 Best Liked Ads in the last quarter of 2021.

KANTAR best liked ads

To make our Nola jars recyclable and encourage consumers to recycle them, we are rolling out new packaging that includes a vertical "zipper" perforation to the back for easy removal of the outer sleeve before disposal. This will help keep their value in the economy and out of the environment.

At the end of 2021 we launched Nola Mayo Street Style, an affordable mayonnaise with reduced oil with all the rich flavour and versatility of a regular mayonnaise. It is creating a stir among shoppers looking for great value from their trusted Nola brand.

... and Nola's not the only brand embracing new ways ...

In February 2022, we launched Yum Yum Peanut Spread – a delicious everyday spread that is packed with the natural goodness of peanuts, high in protein and affordably priced for cost-conscious consumers still looking for the famous Yum Yum taste.

Ouma Rusks is over 80 years old but South Africa's favourite rusk brand keeps young by trying new things!

Last year Ouma teamed up with Yum Yum to create Ouma Yum Yum Peanut Butter Rusks, a limited-time offer that has become a permanent fixture due to popular demand. This year Ouma incorporated Yum Yum's latest Caramel Dreams innovation into another novel treat, Ouma Yum Yum Caramel Dreams Rusks.

In October 2022 our iconic Pieman's pies made their debut in retail freezers in a convenient, ready-to-bake-at-home format. Consumers can now *bring the best home* with the great quality Pieman's pies they know and love. The range has significantly enlarged choice in the Frozen Pies category, of which it achieved a 11.5% value share in the six months to June 2022.

Identifying a consumer need for health benefits on-the-go and new flavour options in the traditional Mageu category, we launched Number 1 Mageu Pineapple & Ginger (High in Vitamin C) at the end of February 2022. Like our existing Moringa variant, it provides consumers with added functional and immune boosting benefits, with a fresh new flavour.

Canine Cuisine and Feline Cuisine are the first brands to bring innovative, specialised diet formulations to the retail market. With half of South African pets classified as overweight or obese, the brands have introduced formulations specially for dogs and cats who struggle to maintain a healthy weight.

They are scientifically formulated with the best quality ingredients and contain 20% lower fat than the standard range.

OUR HISTORY

The businesses that form RCL FOODS share deep South African roots, dating back over 120 years.

1891 – A small family-owned flour mill was established in Pretoria. Today it is the centre of our Milling operation.

1916 – Our first animal feed mill was built. Today we are one of the leading manufacturers of animal feeds.

1960 – Rainbow Chicken started its operation on a humble farm in Hammarsdale, with its first processing plant being commissioned soon after.

1965 – Our first sugar mill began processing sugar cane in Malalane. Today we are one of the three biggest sugar producers in South Africa.

1989 – Rainbow Chicken Limited was listed on the JSE.

2004 – Vector Logistics was acquired to control and optimise our outbound supply chain.

2013 – Foodcorp, one of South Africa's largest food producers, was acquired.

Our company name changed from Rainbow Chicken Limited to RCL FOODS Limited.

Through strong strategic acquisitions, we have become one of South Africa's largest food manufacturers.

2014 – The leading sugar producer, TSB Sugar RSA and TSB Sugar International, was acquired.

A 49% share of Senn Foods Logistics in Botswana was acquired.

A new Broad-based Black Economic Empowerment (B-BBEE) transaction was implemented.

2016 – A 33.5% stake in Ugandan poultry producer, HMH Rainbow Limited, was acquired.

2018 – A 50% stake in Matzonox, a Waste-to-Value operation, was acquired.

2019 – Driehoek Voere, a producer of game, ruminant and horse feeds, was acquired.

A 45% stake in L&A Logistics Limited, a distribution operation based in Zambia, was acquired.

2020 – A minority shareholding in the LIVEKINDLY Collective was acquired.

Vector Logistics acquired certain key assets of Imperial Logistics South Africa Group Proprietary Limited's cold chain business (ICL).

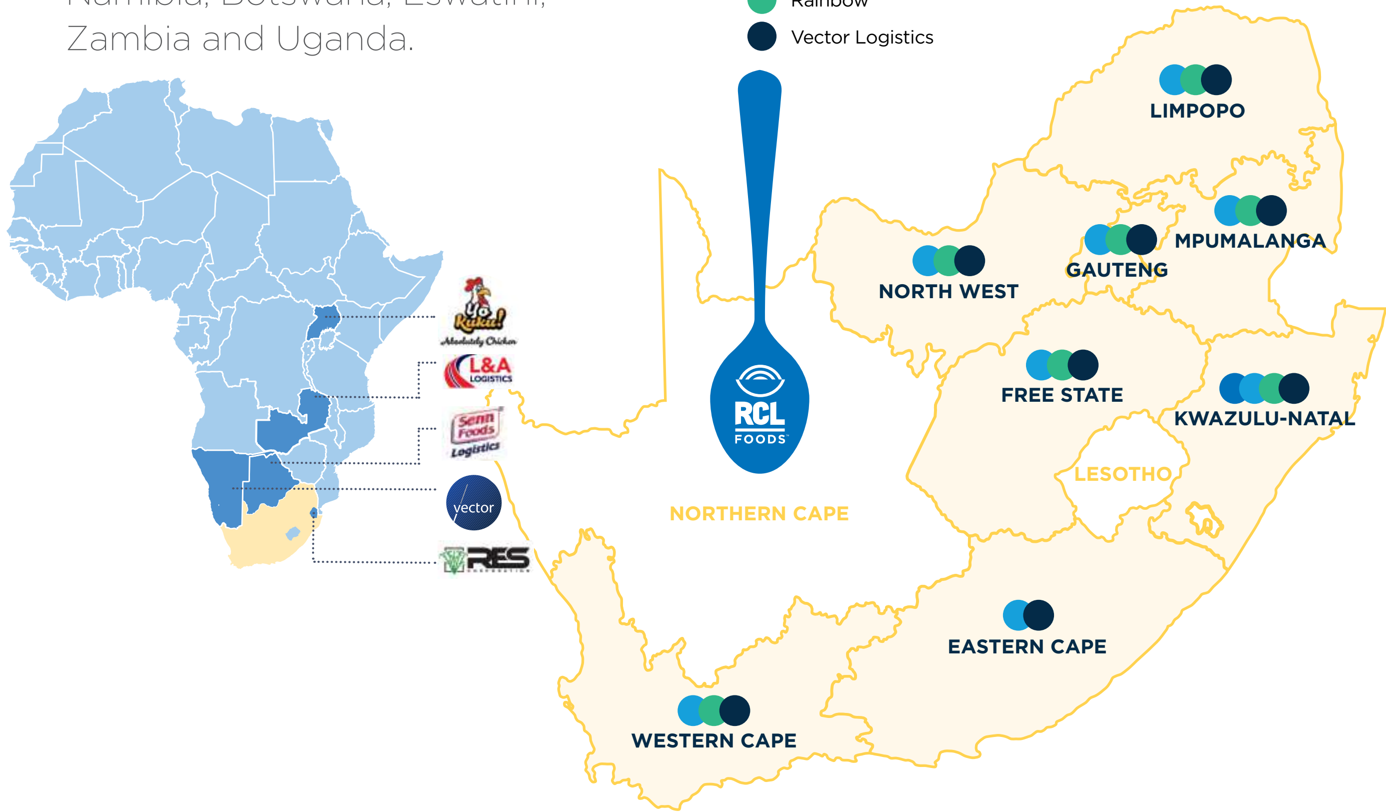
2021 – We partnered with the LIVEKINDLY Collective to establish LIVEKINDLY Collective Africa.

Vector Logistics' stake in L&A Logistics was increased to 85%.

OUR FOOTPRINT

Our operations span across South Africa and extend into Namibia, Botswana, Eswatini, Zambia and Uganda.

- Head Office
- RCL FOODS Value-Added Business
- Rainbow
- Vector Logistics



WESTERN CAPE
- 1 Speciality Plant
- 1 Chicken Processing Plant
- 37 Chicken Farms Owned
- 10 Chicken Farms Contracted
- 1 Animal Feed Mill
- 2 Vector Logistics PBCS*
- 2 Vector Logistics Distribution Sites

MPUMALANGA
- 9 Chicken Farms Owned
- 2 Bakeries
- 6 Bakery Depots
- 2 Sugar Mills
- 1 Vector Logistics Distribution Site
- 3 Sugar Farms Owned
- 6 Sugar Farms Contracted

NORTH WEST
- 1 Bakery
- 2 Baking Depots
- 1 Chicken Processing Plant
- 31 Chicken Farms Owned
- 21 Chicken Farms Contracted
- 1 Animal Feed Mill
- 1 Vector Logistics PBCS

FREE STATE
- 3 Baking Depots
- 1 Chicken Processing Plant
- 1 Vector Logistics Distribution Site
- 1 Vector Logistics PBCS

EASTERN CAPE
- 6 Chicken Farms Owned
- 1 Animal Feed Mill
- 1 Grocery Plant – Ouma Rusks
- 3 Vector Logistics Distribution Sites

KWAZULU-NATAL
- 1 RCL FOODS National Office
- 1 Baking Depot
- 2 Chicken Processing Plants
- 29 Chicken Farms Owned
- 23 Chicken Farms Contracted
- 1 Animal Feed Mill
- 1 Sugar Mill
- 1 Vector Logistics PBCS
- 3 Vector Logistics Distribution Sites
- 1 Rainbow Head Office

LIMPOPO
- 2 Bakeries
- 6 Bakery Depots
- 1 Animal Feed Facility
- 1 Vector Logistics Distribution Site

GAUTENG
- 1 Grocery Mega Plant
- 17 Chicken Farms
- 1 Animal Feed Mill
- 1 Pie Factory
- 1 Beverage Plant
- 2 Speciality Plants
- 1 Flour Mill
- 2 Bakeries
- 3 Baking Depots
- 3 Vector Logistics Distribution Sites
- 6 Vector Logistics PBCS
- 1 Vector Logistics Office

* Plant Based Cold Store (PBCS)

OUR SUSTAINABLE BUSINESS DRIVE

Seeing and doing things differently is part of our DNA; it is what makes us adaptable and keeps us relevant. Like our brands, we too are embracing new ways when it comes to planning for a sustainable future. We are currently working on a revised sustainability strategy that focuses on "delivering consumer goods that support the wellbeing of consumers, workers, communities and the planet" through Dignity and wellbeing, Product Integrity and Responsible Operations. This will be rolled out in the coming year. During the 2022 year we have continued to deliver against our current Sustainable Business Framework, as shown below, and will be building on its strong foundation to deliver wellbeing going forward.

Our Sustainable Business Drive is about creating the future. Underpinned by Our Passion, it sets out our response to the most critical social and environmental challenges we face. Our Sustainable Business Drive enables us to secure the future for our business, whilst establishing competitive advantage in a fast-changing world.

NOURISHING PEOPLE

More **NUTRITIONALLY** creative solutions 1

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.

ENRICHING COMMUNITIES

More **SOCIALLY** creative solutions 2

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 our 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 interconnected 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.

SUSTAINING RESOURCES

More **ENVIRONMENTALLY** creative solutions 3

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

For more information, please refer to the Sustainable Business Report, available at www.rclfoods.com/financial-results-and-reports-2022

OUR SUSTAINABLE BUSINESS DRIVE IN ACTION

NOURISHING PEOPLE

HEALTHY FOODS, HEALTHY MINDS WITH OUR REFORMULATED DO MORE PORRIDGE

Children need enough of the right foods at the right time to grow and develop to their full potential. Inadequate nutrition in early childhood is one of the key factors leading to stunting, which affects 27% of young children in South Africa. There is consequently a great need for coordinated efforts to improve both the amount and the quality of food young children receive. Early childhood development (ECD) has always been a key focus area for our DO MORE FOUNDATION, and two years ago we helped it launch its own branded DO MORE Porridge to scale the nutritional support it provides in this space. During the lockdown, DO MORE Porridge became known and loved in resource-deprived communities countrywide, where it was distributed to vulnerable young children and their families while ECD programmes were closed. As these reopened, a daily meal of DO MORE Porridge was an important incentive for caregivers to return their children to learning programmes. In the 2022 financial year 16,2 million meals' worth of DO MORE Porridge were distributed to young children mainly via 1 222 ECD programmes, up from 1 043 the previous year.

This increase is an achievement in itself, but there is another, far more significant, reason for celebrating.

During the year, drawing on the expertise of a Public Health and Nutrition consultant, the Foundation and RCL FOODS worked together to reformulate the porridge with more proteins and good fats to ensure it meets the nutritional needs of growing young children in the South African context.

RCL FOODS continues to provide DO MORE Porridge at cost, with Vector Logistics delivering it pro bono through its network.

Although the reformulated porridge is double the cost of the previous formulation, the Foundation believes that improving the nutritional element of products donated to children is the right thing to do.

This perspective is shared by its partners, which have generously increased their funding support and enabled the Foundation to not only maintain but increase the number of meals it provides. By giving young children the nutrition they need, we are collectively investing in their future!

ENRICHING COMMUNITIES

YOUMATTER EMPLOYEE WELLNESS PROGRAMME – AN INVESTMENT IN #MOREYOU

In the last two-and-a-half years our employees have showed enormous resilience in navigating through the COVID-19 pandemic, unrest, flooding and other challenges. To help them cope with the impacts of all this change, we introduced an employee wellness programme for RCL FOODS employees and their immediate families in July 2021. This was inspired by a successful programme already offered in Vector Logistics.

The RCL FOODS programme, called YouMatter, provides confidential professional counselling on stress, trauma, change, relationships, financial abuse, substance abuse, HIV/Aids and legal advice. It reflects our holistic approach to employee wellness which includes Body (physical wellbeing), Mind (mental health) and Life (family, financials and legal).

You Matter Employee Wellness Programme

In addition to the professional counselling offered by the YouMatter programme, we have introduced:

- an online portal providing wellness assessments, an “ask the professional” function and a wellness tracker;
- various webinars, personal challenges and articles on health-related issues; and
- a series of initiatives during our Wellness Month, focusing specifically on mental health, the most commonly reported issue in the YouMatter programme. These included keynote speaker sessions focusing on resilience and understanding your power, a self-care series on eating, sleeping and exercise, and sessions on connection with self and others.

RCL FOODS staff members are engaging more and more with the programme, with an average usage rate of 7%. **Besides serving as much-needed mental health triage for many employees who have been struggling, it is a great opportunity to build a more open and supportive culture, Our Way.**

SUSTAINING RESOURCES

RCL FOODS INVESTS IN EXTENDED PRODUCER RESPONSIBILITY

Under South Africa’s new, mandatory extended producer responsibility (EPR) legislation, brand owners are responsible for the full cost of recovering all packaging materials placed onto the market. This is to ensure that packaging materials do not litter the environment or end up as landfill waste. EPR fees are charged per ton of each type of packaging material produced, with fees being highest for non-recyclable and hard-to-recycle materials.

At RCL FOODS we take our extended producer responsibility seriously. In the case of plastic packaging, we are committed to keeping this resource within the circular economy by ensuring that the plastics we use are 100% recyclable, 70% of our plastics packaging is actually recycled, and 30% of our packaging consists of post-consumer recycled (PCR) content. We are also actively looking for ways to eliminate the plastics we don’t need, such as by developing alternatives to non-recyclable types, or by reducing packaging weight (without compromising the integrity of our products).

Over the last year we have identified a number of opportunities to make a positive change, and have been collaborating with our customers, packaging suppliers and recyclers to come up with viable solutions. We have implemented a number of these already, while others will bleed in during the coming year. In cases where we have not yet found viable solutions to problematic materials, we will continue to “see and do things differently” until we do.

A lighter, whiter, Nola 20-litre oil drum

We redesigned our 20-litre Nola oil drums to make them ‘lighter’ on the environment while maintaining their strength. Each drum is now 100g lighter, enabling us to eliminate 20 tons of high-density polyethylene (HDPE) each year – the equivalent of 103 fully-grown male lions. We also changed their colour from yellow to white to encourage waste pickers to collect them for recycling, as recyclers pay more for white or clear plastic which can be upcycled into many more items. This will further encourage the recycling of 160 tons of HDPE each year – the equivalent of 829 lions.

A zippy solution to recycle more Nola jars

Because the polyethylene tetrapthalate (PET) outer sleeve on Nola Mayonnaise jars is not recyclable due to its thinness and high ink content, it has to be manually removed before the jar can be recycled. To make this easy to do and educate consumers on recycling at the same time, we are introducing a vertical perforated strip on the sleeve of our 750g jars. This will give recycling value to 1 600 tons of PET jars each year, increasing their chances of being collected and recycled. The innovation will be bled in from November 2022.

Fully recyclable sugar sachets, chicken over-wrap and vienna packaging

To help one of our retail customers meet its 2022 recycling target, we introduced fully recyclable packaging for its private label sugar sticks, we replaced the PVC over-wrap on its chicken with recyclable polyethylene, and we are currently rolling out recyclable packaging for its private label viennas. That’s a combined total of 23 tons of packaging that now get to stay in the circular economy!

OUR SUSTAINABLE IMPACT IN 2022

1 NOURISHING PEOPLE

1.1 MORE NUTRITIOUS PRODUCTS

- **Reformulated our DO MORE Porridge** to strengthen our nutritional support to vulnerable young children
- **Launched specialised diet (weight management)** options in Canine Cuisine and Feline Cuisine

1.2 MORE NUTRITIONAL THOUGHT LEADERSHIP

- Inspiring consumers to **make plant-based protein "the new norm"**
- **Contributing to sustainable poultry and sugar industries** through the **master plans**

1.3 MORE BASIC NUTRITION FOR CHILDREN

Delivered through our DO MORE FOUNDATION:

- **894 tons of nutritious DO MORE Porridge**
- **15,2 million meals to communities** affected by unrest and flooding
- An integrated caregiver training programme called **EAT LOVE PLAY TALK**

2 ENRICHING COMMUNITIES

2.1 MORE INSPIRED EMPLOYEES

- **Certified a Top Employer** for a third year running
- **R48,1 million invested** in training and developing our people
- We more than doubled our **accredited learnerships, apprenticeships and internships from 312 to 774,** of which 99% are from historically disadvantaged groups
- Over **350 Diversity & Inclusivity Conversation Circles** held to date
- Transitioned to our More Flex **hybrid working model** at our National Office
- **Launched YouMatter employee wellness programme** to provide practical and psychological support

2.2 MORE ECONOMICALLY DEVELOPED COMMUNITIES

- **60% of our total cane supply in the Nkomazi area in the last season** came from **land reform initiatives**
- **R89 million in goods and services** procured from enterprises owned by land claim beneficiaries in Nkomazi
- In partnership with the AgriSETA, we **supported 35 small-scale growers and five land reform entities through a structured training and mentoring programme** to enhance their sustainability

2.3 MORE SOCIALLY DEVELOPED COMMUNITIES

Our DO MORE FOUNDATION continues to make #MoreImpact:

- Its **Township Economy** initiative is thriving – #DoMore4Hammarsdale
- It **scaled its Leave No Young Child Behind model** to four communities – with more to come in 2023
- It launched an integrated **EVERYONE GETS TO PLAY Collective Impact model**

3 SUSTAINING RESOURCES

3.1 MORE ENERGY SELF-SUFFICIENT OPERATIONS

- Our purchased **electricity was 6% lower**
- Co-generation supplied **86% of our sugar mills' electricity needs**
- Rooftop solar generation **increased by 3%**
- Waste-to-Value (W2V) energy generation was lower than expected due to technical challenges
- Coal consumption increased by 1.1% and diesel by 7.2%

3.2 MORE WATER-SMART OPERATIONS

- **On track for 30% improvement** in water efficiency in **Sugar Agriculture by 2023**
- Overall water use was 0.7% higher, mainly due to higher use in Sugar and Rainbow

3.3 MORE WASTE-FREE OPERATIONS

- We launched several **innovations to improve our packaging sustainability**
- **RCL FOODS is the first brand owner** to officially become a member of the **Reproplast Collective Extended Producer Responsibility (EPR) Scheme**
- **91% of our total waste** was used as energy, reused, recycled or converted into fertiliser

HOW WE OPERATE

OUR OPERATING CONTEXT AND TRENDS

As a food business spanning the entire food value chain – from agriculture to supermarket shelf – we take cognisance of a variety of short-, medium- and long-term trends in our environment. Presenting both risks and opportunities for the way we generate value for our stakeholders, these trends inform our competitive positioning and our longer-term strategic initiatives. Key to remaining relevant and resilient is our ability to maintain a firm strategic focus, and to "see and do things differently" to keep moving forward in a dynamic and challenging environment.

OUR MACRO ENVIRONMENT

Demanding economic conditions

The economy exhibited a modest revival in the past year as COVID-19 restrictions were lifted and business activity started to recover. The economic environment remains severely constrained, however, as a weaker rand, higher inflation, increasing interest rates and a continued rise in unemployment combine with record fuel, energy and food prices to impact business and consumers. Pressure on households is adding to geopolitical tensions and manifested in social unrest and violence in the past year. Affordability challenges are also changing how consumers shop.

More detail on the key macroeconomic factors impacting our business is available in the CFO's report from page 84

A steep rise in input costs

A combination of factors is contributing to the strong acceleration in the cost of food commodity inputs. These include COVID-19-related interruptions to production and supply chains, severe weather patterns, the war in Ukraine, steeply rising shipping and import costs, and record fuel price hikes. The challenge for RCL FOODS is to navigate the impact on margins responsibly, while maintaining affordability.

More detail on the key macroeconomic factors impacting our business is available in the CFO's report from page 84

Pressure on food systems, food security and environmental impacts – attracting increasing regulatory oversight and consumer awareness

- **Inadequate food production** – The rapidly growing world population is putting increasing pressure on available food production, necessitating large-scale food farming and manufacturing to keep up with demand
- **Depletion of natural resources** – Mass production, whilst beneficial in increasing availability, presents serious environmental threats in the form of increasing biodiversity loss, deforestation, soil degradation, water scarcity and greenhouse gas emissions. While increased regulatory oversight aims to protect the environment, sustainable shifts will require changing mindsets about the future of food production. One such solution is plant-based foods, which has great potential as a sustainable answer to reducing the environmental impact, increasing nutritional values and providing ethical alternatives
- **Climate change** – Climate change presents its own risks for longer-term food security, with severe weather patterns reducing crops and causing large-scale displacement of people
- **Limited access to food** – In South Africa, despite enough food being produced to feed the population, one in five households has inadequate access to it as a result of poverty, largely due to unemployment. At RCL FOODS, we remain highly aware of these hardships and our DO MORE FOUNDATION has done incredible work in the past five years to meet the acute nutritional needs of vulnerable young children and families. This includes delivering nutritionally-enhanced DO MORE Porridge; donating meals to vulnerable communities and gifting near-to-expiry-date food through SA Harvest, Meals on Wheels and FoodForward SA

For more information on our efforts to make a positive impact, refer to our Sustainable Business Report

- **Food-related health risks increasing** – Diet plays a key role in maintaining good health. Locally and globally, current food systems are contributing to a rise in lifestyle-related diseases such as obesity, diabetes, hypertension and heart disease. Regulators have begun to address these trends through enactment of food regulations, limiting exposure to high levels of sugar and salt and hazardous ingredients, as well as creating additional awareness and scrutiny through intensified food labelling requirements. RCL FOODS' needs to keep abreast of these developments in order to enhance the nutritional value of our products, actively participate in dialogue at government and industry level, ensure regulatory compliance, and manage the impacts on our business
- **Sustainability of the sugar and chicken industries** – The sustainability challenges in the sugar and poultry industries, and their impact on economic growth, food security and employment, are key focus areas for the South African government and industry players. The collaborative master plans for the sugar and poultry industries aim to stabilise and grow these sectors through increased local production, reduced imports and exploring diversification opportunities. After a slow start, these initiatives are starting to gain momentum although implementation challenges remain
- **Energy and water supply challenges** – Food manufacture requires reliable, safe, stable access to energy and water resources. Both are currently under pressure in South Africa

THE CHANGING CONSUMER LANDSCAPE

Numerous trends are emerging amongst South African consumers. Some have their origins in the lockdowns during the COVID-19 pandemic, and most are amplified by severe cash constraints in consumer households. These are some of the trends we consider:

Consumers trading down

- A search for value offerings, including switching to cheaper brands
- A rise in private label purchases in an effort to save costs
- Brand loyal customers reverting to smaller pack sizes
- Consumers shopping only during promotions, and maximising savings through the use of retail loyalty cards

A changing consumer world view

- Local loyalty increased through the Buy Local campaign
- Growing health and wellness awareness (food safety and nutrition, including plant-based foods)
- Rising demands for ethical sourcing, limiting plastic and reducing the environmental footprint
- Increasing pattern of making life better with small indulgences and snacking
- Increased consciousness of pets being family. Pet food shopping mirrors family shopping trends – increased value consciousness, greater focus on pet wellness, increasing demand for vitamin supplements and pet treats

Evolving channels

- Consumers are increasingly opting for closer-to-home convenience shopping and e-commerce, rather than grocery shopping at large malls
- COVID-19, and more recently affordability considerations, have reinforced a trend toward more in-home consumption

Changing media habits

- Social media is changing the channels through which products are marketed and purchased and the manner in which consumers engage with corporates
- Streaming and online platforms are replacing traditional broadcasting channels
- These trends make it imperative for business to consider their engagement, marketing and distribution channels and rebalance their spend towards digital to reach their target audiences

ENSURING THAT WE HAVE THE RIGHT TECHNOLOGY AND PLATFORMS TO REMAIN COMPETITIVE

- The use of artificial intelligence, big data and data analytics is allowing companies to rapidly learn about and react to changing consumer preferences
- Cloud technologies and other advances are generating significant cost benefits and creating massive opportunities for innovation
- The COVID-19 pandemic triggered a mass exodus from offices and remote/hybrid working has become an essential feature for companies to attract skills
- With digitalisation comes an increased risk of cyber security breaches. Companies are investing significant time and money to secure their information and platforms

SUCCEEDING IN THIS **EVER-EVOLVING FOOD LANDSCAPE** REQUIRES US TO BE ADAPTABLE, RESILIENT AND ATTUNED TO OUR STAKEHOLDERS' CHANGING NEEDS.

The value creation section that follows describes this process in more detail.

OUR VALUE CREATION MODEL

OUR EXTERNAL OPERATING CONTEXT

Our external operating environment presents us with challenges and opportunities for the way we generate value for our stakeholders.

For more information on our external operating context, refer to page 24

OUR BUSINESS INPUTS

Our Capital Inputs are the resources and relationships we rely on to create value.

For more information on our business inputs, refer to page 16

- FINANCIAL
- HUMAN
- INTELLECTUAL
- MANUFACTURED
- NATURAL
- SOCIAL AND RELATIONSHIP

OUR VALUE CREATION ACTIVITIES

OUR CULTURE
our way
our values
our ambition
our passion

OUR STRATEGY
RCL FOODS VALUE-ADDED BUSINESS
RAINBOW
VECTOR LOGISTICS

OUR SUSTAINABLE BUSINESS DRIVE
NOURISHING PEOPLE
ENRICHING COMMUNITIES
SUSTAINING RESOURCES

OUR INTEGRATED SERVICES PLATFORM
FINANCE | MARKETING | HR | IT
COMMERCIAL | SUPPLY CHAIN
CUSTOMER (RETAIL & WHOLESALE)
FOOD PARTNERS (FOOD SERVICE)

OUR RISKS AND OPPORTUNITIES

We continuously assess and manage our evolving risk universe, while considering opportunities that arise.

For more information on our risks and opportunities, refer to page 48

OUR BUSINESS OUTPUTS

Our contracted business services to customers and partners

Our trusted brands and private label products

Our industry-leading route-to-market solutions provided by Vector Logistics

We create value for our stakeholders through the integrated use of our six capitals to manufacture, distribute and sell a wide range of branded and private label food products in the retail, wholesale and food service channels.

OUR CAPITAL OUTCOMES, TRADE-OFFS & STAKEHOLDERS IMPACTED

For more detailed information refer to page 28

VALUE CREATED FOR OUR STAKEHOLDERS

For more detailed information refer to page 26

Our dynamic operating context means that we manage a constantly evolving set of risks and opportunities as we work to provide value for all our stakeholders.

OUR CAPITAL INPUTS, OUTCOMES, TRADE-OFFS AND STAKEHOLDERS IMPACTED

ICON REFERENCES

Our capitals

- FINANCIAL CAPITAL
- HUMAN CAPITAL
- INTELLECTUAL CAPITAL
- MANUFACTURED CAPITAL
- NATURAL CAPITAL
- SOCIAL AND RELATIONSHIP CAPITAL

Our stakeholders

- COMMUNITIES
- CONSUMERS
- CUSTOMERS
- EMPLOYEES
- GOVERNMENT
- INVESTORS AND FUNDERS
- MEDIA
- SUPPLIERS

Value creation is not a simple or linear process, especially given our dynamic operating context, our complex and geographically dispersed supply chain, and the evolving risks, opportunities, challenges and advantages arising from these. Business activities must make responsible use of the six capitals in order to preserve their ability to contribute to ongoing value creation. This sometimes involves trade-offs between capitals and stakeholder interests in order to deliver on business objectives, and the impact of this must be carefully managed. A summary of our capital inputs and outcomes follows, as well as the stakeholders impacted and the key trade-offs made to ensure delivery against our goals.

RESOURCES USED TO CREATE VALUE	OUTCOMES OF OUR CAPITAL UTILISATION AND STAKEHOLDERS IMPACTED
FINANCIAL CAPITAL	
Our assets, net debt and shareholders' interest, which we manage to sustain the ongoing financial demands of our operations and provide capital for future growth. • Market capitalisation of R9,7 billion • Funding facilities available of R5,25 billion, of which R2,01 billion was utilised	• R2 595,7 million operating profit before depreciation, amortisation and impairment • R3 427,9 million cash generated by operations • Return on invested capital 8.8%, up 0.3 percentage points • Net borrowings to shareholders' equity (gearing): 31.0% • R1 054,0 million headline earnings • R402,9 million dividends paid to shareholders

RISKS AND OPPORTUNITIES IN SECURING THESE INPUTS:

Access to external financial capital is affected by our financial performance, investor sentiment, the status of the food industry and the local and global economy. In a challenging trading environment, the Group retains a strong balance sheet, a relatively low gearing ratio and a healthy cash generation. Due to the poor historical performance of the Rainbow business, it is currently in an unfavourable position regarding funding and balance sheet capacity. Rainbow currently has a gearing ratio of 44.4%. The interest-free shareholders' loan of R1 364,9 million has been allocated to equity.

TRADE-OFFS:

During the current financial year repayments of R337,5 million were made on the Group's term funded debt package. As a result, the Group's gearing ratio improved for the year ended June 2022. However, the utilisation of cash for these repayments reduced cash and cash equivalents.

CAPITALS **ENHANCED:** R CAPITALS **DEPLETED:** R

OUR CAPITAL INPUTS OUTCOMES, TRADE-OFFS AND STAKEHOLDERS IMPACTED CONTINUED

HUMAN CAPITAL

RESOURCES USED TO CREATE VALUE

Our skilled, experienced and motivated people that enable our business growth and value creation.

- A diverse workforce of 20 793 permanent and 918 temporary employees (including fixed-term contracts and excluding contractors)
- A strong leadership team driving a unique, high-performance culture
- Industry-leading employee practices
- R48 million invested in training and development
- YouMatter Employee Wellness Programme implemented in RCL FOODS
- Diversity and Inclusivity strategy progressed, focusing on increasing management diversity and building an inclusive culture

OUTCOMES OF OUR CAPITAL UTILISATION AND STAKEHOLDERS IMPACTED

- R5,8 billion paid in wages and benefits
- 9 367 people upskilled and trained
- Received Top Employer certification from the Top Employer Institute for the third year running
- 44% of the top and senior management is in the employment equity category (African/Coloured/Indian/Female/Differently abled)
- 1 390 employees have participated in one or more Diversity and Inclusivity Circle Conversations
- RCL FOODS employees received free access to emotional, legal and financial support through the YouMatter Programme
- 154 temporary jobs converted to permanent ones
- Failure of Employee Share Ownership Scheme (ESOP) to deliver value to employees
- 38 retrenchments (unrelated to COVID-19)

RISKS AND OPPORTUNITIES IN SECURING THESE INPUTS:

Attracting and retaining top skills and diverse talent requires a strong focus on external talent attraction and internal talent management, enabled by the creation of a compelling culture and conducive work environment. Our growing reputation as an employer of choice helps us attract high-performing talent. Competition for quality candidates, especially in designated groups, can however present challenges for retention.

The lingering impacts of the COVID-19 pandemic, combined with the fallout of the July 2021 unrest in KwaZulu-Natal and Gauteng, and the recent flooding in KwaZulu-Natal, have presented challenges for many of our people. Through our provision of various types of support, we have been able to show our people that we value them and care about their wellbeing.

TRADE-OFFS:

In order to keep our people safe during the pandemic, we enabled more than 3 000 of our people to work from home. In some cases this has impacted on teamwork, relationship building and even mental health. Through the implementation of our agile working model, employee assistance programme and back-to-basics approach we are working to build healthy, resilient teams.

Prioritising social distancing and cash preservation during the COVID-19 pandemic also resulted in us conducting less face-to-face training and more online training during the 2020 and 2021 financial years. This had a greater impact on skills development for our shopfloor employees, and resulted in our last B-BBEE score (September 2021) declining from level 4 to level 5.

CAPITALS **ENHANCED:** CAPITALS **DEPLETED:**

INTELLECTUAL CAPITAL

RESOURCES USED TO CREATE VALUE

Our organisational knowledge, systems, procedures and intangibles associated with our value creation activities.

- 100% of manufacturing sites FSSC 22000/ISO 18001 certified for food safety
- R27,2 million invested in IT infrastructure to optimise resources and unlock business value
- RCL FOODS' integrated business services organisation
- Data analytics capabilities
- Investment in consumer insights
- Investment in R&D capability
- Vector Logistics' innovative digital platform business, Empty Trips

OUTCOMES OF OUR CAPITAL UTILISATION AND STAKEHOLDERS IMPACTED

- 12 market-leading brands in 2022
- Provided safe, high quality products and services
- Innovations launched to meet the needs of cost- and health-conscious consumers
- Collaboration with industry and government to address poultry and sugar industry sustainability
- Early Childhood Development (ECD) learning materials provided to ECD centres via the DO MORE FOUNDATION, along with digital support materials for parents/caregivers
- Empty Trips launched to external market to provide more innovation, transparency and sustainability in 4th party logistics

RISKS AND OPPORTUNITIES IN SECURING THESE INPUTS:

Our ability to retain, generate and enhance intellectual capital is connected to our attraction, retention and development of appropriate skills and talent; the insights we gain from our stakeholders; and our investment in technology, innovation and our brands. Potential constraints in securing and enhancing intellectual capital includes financial resources, IT security issues, competitor activity and data analytics capabilities. By identifying and investing in our key strategic capabilities we are taking the opportunity to further enhance our competitive advantage.

TRADE-OFFS:

To meet the needs of cash-strapped consumers we accelerated the launch of our value innovations during the current year. These have lower margins but have helped protect our volumes and provide more affordable options on supermarket shelves.

CAPITALS **ENHANCED:** CAPITALS **DEPLETED:**

OUR CAPITAL INPUTS OUTCOMES, TRADE-OFFS AND STAKEHOLDERS IMPACTED CONTINUED

MANUFACTURED CAPITAL

RESOURCES USED TO CREATE VALUE

The physical infrastructure and equipment available to us for use in the production and distribution of our products.

- Over 280 operations in South and Southern Africa
- These include Groceries operations; bakeries; sugar, flour and animal feed mills; rearing, laying and broiler farms and hatcheries; chicken processing plants; bulk cold storage sites; and warehousing and distribution assets
- Renewable energy infrastructure in the form of two Waste-to-Value (W2V) plants, two co-generation sites, and three rooftop solar installations
- R1 300,7 million capital investment in fixed and intangible assets

OUTCOMES OF OUR CAPITAL UTILISATION AND STAKEHOLDERS IMPACTED

- Produced in 2022: 24 million jars of peanut putter, 93 million jars of mayonnaise, 31 million bags of pet food, 120 million pies, 49 million litres of beverages, 350 000 tons of flour, 240 million units of bread, buns and rolls, 33 million units of Speciality products, 677 000 tons of sugar, 300 000 tons of chicken products, and 1,2 million tons of animal feed
- Polokwane Bakery expansion completed
- Finalisation of capacity builds in key cities completes Vector Logistics' network consolidation project
- Raw sugar store at Komati Mill destroyed by fire in October 2021
- New Rainbow Head Office opened at P1 plant in Hammarsdale, KwaZulu-Natal
- Technical challenges at Rustenburg W2V plant resulting in slower than expected ramp up of renewable energy generation

RISKS AND OPPORTUNITIES IN SECURING THESE INPUTS:

Securing the necessary manufactured inputs depends on the availability of financial capital for the acquisition, maintenance and/or replacement of property, plant and equipment, as well as the effective management of key risks. Capital investment was limited during the pandemic to preserve cash and liquidity, and we are now increasing this responsibly to ensure that risks are managed and the business is able to capitalise on growth opportunities.

TRADE-OFFS:

We seeded additional bread depots into the inland region in advance of commissioning the Polokwane Bakery expansion to enable us to meet increased demand. This resulted in higher costs in the current year.

CAPITALS **ENHANCED:** CAPITALS **DEPLETED:**

NATURAL CAPITAL

RESOURCES USED TO CREATE VALUE

Our natural resource use is guided by our ambition to become Energy self-sufficient, Water-smart and Waste-free.

- 145 GWh total renewable energy generated of which 8 GWh was exported
- 625.5 GWh total electricity used
- 177 425 tons coal used
- 29 262 kℓ diesel used
- 5 980 megalitres (Mℓ) municipal water used

OUTCOMES OF OUR CAPITAL UTILISATION AND STAKEHOLDERS IMPACTED

- 6% less electricity used
- Our sugar co-generation, Waste to Value (W2V) and solar plants provided 131.5 GWh of clean electricity for our own consumption
- We were 21% electricity self-sufficient
- 1.1% more coal used
- 7.2% more diesel used
- 0.7% more municipal water used
- 3 410 tons of paper, cardboard, plastic, metal and wood waste recycled, creating jobs in the recycling industry

RISKS AND OPPORTUNITIES IN SECURING THESE INPUTS:

Our operations are dependent on quality potable water supplies as well as electricity from the national grid, both of which have been increasingly unreliable. Expanding our renewable energy generation and water reuse initiatives, while conserving water and energy use where possible, provide opportunities to reduce our reliance on scarce natural resources and lessen our environmental impact.

TRADE-OFFS:

Operational continuity is essential to maintain service levels, revenue generation and employment. Due to increased load-shedding during the year, we had to use generators more frequently, which increased our diesel usage. Lower availability of feedstock impacted electricity co-generation in Sugar, resulting in us using more coal to run boilers at our mills.

CAPITALS **ENHANCED:** CAPITALS **DEPLETED:**

OUR CAPITAL INPUTS OUTCOMES, TRADE-OFFS AND STAKEHOLDERS IMPACTED CONTINUED

RESOURCES USED TO CREATE VALUE	OUTCOMES OF OUR CAPITAL UTILISATION AND STAKEHOLDERS IMPACTED
SOCIAL & RELATIONSHIP CAPITAL	

The ongoing relationships we have with stakeholders to strengthen our network, create shared value and reinforce our licence to operate.

- Regular engagement with key stakeholders to identify needs and address issues of concern
- Positive customer relationships
- Compelling RCL FOODS culture, committed to diversity and inclusivity
- Collaborative partnerships with community-based suppliers
- Proactive employee relations management
- DO MORE FOUNDATION-led partnerships with government, non-governmental organisations (NGOs) to DO MORE for young children, youth and to ease hunger

- Won Shell Supplier of the Year award
- R61,1 million skills development levy paid, supporting human capital development nationally
- 1 200 small-scale growers generated approximately R326 million turnover through the supply of 460 000 tons of cane in Nkomazi
- Land claim beneficiary communities benefited from R36,4 million in lease income, 193 jobs during the year and community development projects totalling R325 000
- R11,6 billion spent on goods and services from B-BBEE suppliers
- Through the DO MORE FOUNDATION, 11 million meals provided over 10 months to communities affected by the July 2021 unrest, and 4,2 million meals to those impacted by the April 2022 floods

RISKS AND OPPORTUNITIES IN SECURING THESE INPUTS:

Managing the interests of multiple stakeholders can sometimes result in difficult decisions being taken that have the potential to impact on relationships. Wherever possible we seek to collaborate with our stakeholders in order to drive win-win solutions.

TRADE-OFFS:

As part of our efforts to help the food service industry recover post the COVID-19 lockdowns, we implemented the Sekela Hospitality Support programme in partnership with Siqalo Foods and Bidfood. Its specific focus on black-owned hospitality businesses, in line with our commitment to B-BBEE, was understandably disappointing for non-designated groups.

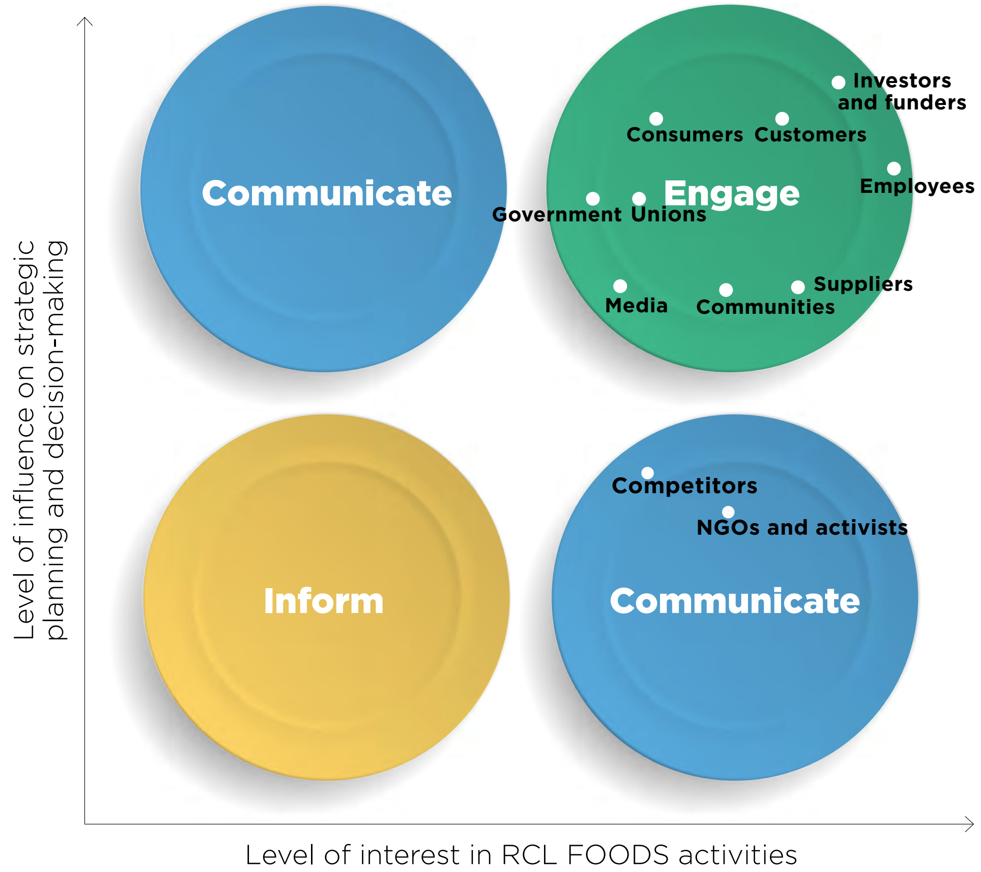
CAPITALS **ENHANCED:** CAPITALS **DEPLETED:**

OUR STAKEHOLDER ENGAGEMENT

People are at the heart of our business, and we believe that building a sustainable future depends on establishing and growing strong stakeholder partnerships that deliver shared value. For this reason, we take a collaborative approach to our stakeholder engagement, seeking to drive positive outcomes in areas of mutual interest.

To this end, we aim to ensure constructive and cooperative engagements characterised by openness and transparency; mutual respect; interactions that are regular, structured, supportive and responsive; and a focus on outcomes linked to business-critical aspects and national priorities. Our stakeholder universe includes a broad range of stakeholders with an interest in our business, products, activities and initiatives, as well as those who can influence, benefit from or be impacted by the performance and activities of our business. Whilst we consider the entire universe of stakeholders in our engagement planning, we focus our reporting on key stakeholder groups.

The section below provides a brief overview of these key stakeholder groups and the value we create for them.



COMMUNITIES

HOW WE CREATE VALUE	HOW WE ENGAGE	KEY ISSUES	LINKED TO KEY RISKS	OUR RESPONSE	QUALITY OF THE RELATIONSHIP
We strive to uplift the largely resource-deprived communities around our operations by creating meaningful value through: • Investing in social and economic development initiatives that positively impact their lives, with a focus on Early Childhood Development (ECD), enterprise development (ED) and hunger alleviation • Programmes that aim to engage, uplift and capacitate various stakeholders (parents and caregivers, ECD practitioners, the local and provincial public sector, the private sector and communities) to better meet the rights and needs of young children • Actively empowering ED programmes to sustain themselves by enabling them to contribute to our value chain where possible, or by linking them to other economic opportunities	• Community-based joint ventures (CBJVs) with land claim beneficiary communities and ED partnerships with small-scale farmers, contract growers and community enterprises, and regular CBJV board and partnership meetings • Social development initiatives facilitated by the DO MORE FOUNDATION • Collaborative partnerships with NGOs, NPOs, government departments, community leaders and other businesses • Provision of support services and training to growers and farmers • Direct engagements via meetings and training, and indirect engagement via our social partners driving project implementation	• Unemployment, especially among youth • Need for skills transfer and ED • Food insecurity for families, exacerbated by the pandemic, the social unrest and the floods in the past year • Community ECD support • Community nutrition and collaborative solutions • Need for expertise with regard to ECD and ED issues	• Supply Chain Disruption • Societal risks and unrest	• Providing food to families and particularly young children, with more than 15 million meals provided after the unrest and floods in the past year • Providing a total of over 18 million meals through the DO MORE FOUNDATION in 2022 • Providing early learning support to young children • Providing parenting and caregiver support • Implementing multi-stakeholder social and economic development initiatives in our Worcester, Nkomazi, Hammarsdale and Pongola communities, and scaling these into other areas near our operations • Inspiring suppliers, customers and other stakeholders to partner with the DO MORE FOUNDATION to "create better tomorrows for young children in South Africa" • Empowering our sugar grower communities through sustainable farming programmes and interconnected business models	We have a good relationship with the communities around our operations, evidenced by their recognition of our impact on ED in our grower communities, and the impact of our DO MORE FOUNDATION on community social development

For more information, please refer to the Sustainable Business Report, available at www.rclfoods.com/financial-results-and-reports-2022

OUR STAKEHOLDER ENGAGEMENT CONTINUED

CONSUMERS

HOW WE CREATE VALUE	HOW WE ENGAGE	KEY ISSUES	LINKED TO KEY RISKS	OUR RESPONSE	QUALITY OF THE RELATIONSHIP
We strive to create value for our consumers by building brand trust through: • Keeping abreast of changes in consumer trends, habits and behaviour. These include a greater emphasis on value for money in the current economic climate, as well as convenience and "better for me" products driven by lifestyle and health considerations • Providing a growing portfolio of leading food brands that meet consumers' changing needs • Changing media habits make it imperative for us to balance our media spend toward digital to maximise our engagement with consumers • Providing our consumers with safe, high-quality food products supported by international quality and food safety standards in all our facilities • Embedding International Standards Organisation (ISO) principles into our integrated management systems across the supply chain • Complying with relevant regulatory requirements • Providing consumers with opportunities to DO MORE to make a positive difference in their families and community	• 24-hour RCL FOODS Consumer Care Line • Multiple traditional and social media platforms • E-commerce sites – Takealot and retailer-owned • Our website: www.rclfoods.com	• Product quality and food safety • Product affordability • Product convenience • Compliance with issues regulated by the Government (e.g. labelling, salt, sugar, and packaging waste) • Support for social development • Products supporting health and wellness • Growing awareness of environmental issues and companies' related responsibilities	• Commodity price fluctuations • Pricing pressure • Reduced demand (customer and consumer) • Supply Chain Disruption • Food and product safety • Societal risks and unrest • Non-availability of IT systems • Health and Safety • Non-compliance with legislation	• Continuously strengthening our food safety and quality assurance in line with international best practice • Innovating to offer greater convenience within our product ranges • Providing a broad range of affordably-priced, staple food products and competitively-priced household brands and tiering our portfolio to increase our value ranges • Complying with relevant regulatory requirements • Constructively engaging with regulators to positively influence standard setting • Offering a growing range of plant-based products • Establishment of a Consumer Insights capability to improve our understanding of consumer needs and innovate faster to meet these needs • Investing in technology that allows the innovation capabilities to keep abreast of changing needs • Increasing focus on Environmental, Social and Governance (ESG) sustainability • Leveraging the growing reputation of the DO MORE FOUNDATION to inspire consumers (and companies they represent) to support its social development initiatives	We have a positive relationship with consumers, as evidenced by our growing market shares; positive engagement with our brands and the DO MORE FOUNDATION on our social media platforms; and a declining number of consumer complaints, coupled with speedy resolution of valid complaints

CUSTOMERS

HOW WE CREATE VALUE	HOW WE ENGAGE	KEY ISSUES	LINKED TO KEY RISKS	OUR RESPONSE	QUALITY OF THE RELATIONSHIP
• We strive to meet our customers' needs by partnering with them to provide growth opportunities that further their business objectives • Sponsoring the Young Chef and Young Baker's challenge to build the skills of tomorrow and create an affinity for our products • Partnering with the food service industry to help rebuild the hospitality sector through the Sekela Hospitality Support programme	• Weekly or monthly interventions with customers and periodic meetings with our retail, wholesale and food service customers' senior leaders • Joint strategic business planning sessions, which include joint forecasting and promotions plans • Dedicated sales interface team that uses "best in class" service methodologies • Joint innovation programmes	• Product quality and food safety • Revenue growth and profitability • Responsiveness of RCL FOODS • Tailored sales solutions • Mutually beneficial partnerships • Service levels • Multiple price increases required in the past year	• Commodity price fluctuations • Pricing pressure • Reduced demand (customer and consumer) • Supply Chain Disruption • Food and product safety • Societal risks and unrest • Non-availability of IT systems • Health and Safety • Non-compliance with legislation	• A single sales force interface that drives common ways of working across all RCL FOODS customer teams with "best in class" service methodologies • Using data insights to create stronger and more responsive plans • Leveraging our enhanced capabilities to provide our food service customers with a growing and profitable portfolio of solutions • Providing technical expertise and support in the animal feed and industrial flour sectors • Expanding our basket to offer a broader range of product solutions • Selective provision of private label brands in certain categories • Developing products that minimise wastage and support margins • Expanding our customer base to provide the same service excellence to other SADC partners and the UAE	We have an excellent relationship with our customers. Multiple awards from valued customers point to high satisfaction levels, and we have been commended on our effective communication during the pandemic and the recent unrest

OUR STAKEHOLDER ENGAGEMENT CONTINUED

EMPLOYEES

HOW WE CREATE VALUE

We are committed to engaging the hearts and minds of our more than 20 000 people by creating value through:

- Employment and growth opportunities
- Actively prioritising diversity and inclusivity
- Investing in training and development to build a high-performance culture
- Greater utilisation of online training to make it more accessible
- Promoting employee health and safety in the workplace
- Actively driving transparent, open and meaningful engagement with employee representative forums
- Investing in effective communication channels to connect with our people wherever they are
- Through the DO MORE FOUNDATION, providing a channel for RCL FOODS employees to contribute to the upliftment of vulnerable communities via monthly payroll deductions, participation in the Foundation's various annual campaigns, and acknowledging those who regularly volunteer in their communities

HOW WE ENGAGE

- Daily communication through our digital communication channels
- Regular management updates via live and virtual presentations and other communication channels
- Employee satisfaction and feedback surveys
- Tailored skills development and training
- Ongoing engagement with employee representative forums
- Employee tip-off hotline
- Wellness days enabling employees to engage with various service providers
- Occupational healthcare clinics at our main operating sites and mobile clinics for outlying sites
- Our DO MORE HEROES, the on-site "cheerleaders" for DO MORE FOUNDATION programmes and events

KEY ISSUES

- Career development and growth
- Education and training
- Diversity, equal opportunities and inclusivity in the workplace
- Constructive employee relations and engagement
- Employee health, safety and wellness
- Remuneration and benefits
- Making a difference in the community
- How the strategic transformation will impact job stability and/or create opportunities for career development
- Remote working
- Closure of the employee share option scheme (ESOP)

LINKED TO KEY RISKS

- Supply Chain Disruption
- Food and product safety
- Societal risks and unrest
- Non-availability of IT systems
- Health and Safety
- Non-compliance with legislation

OUR RESPONSE

- Building a community of inspirational and productive people with a common passion
- Connecting with 12 500 employees via our *Let's Talk* mobile communication app and our *Let's Talk Live* webinars, allowing extensive engagement with management
- Rolling out Diversity and Inclusivity Conversation Circles across the business
- Regular communications providing scientifically verified information on COVID-19 and vaccines, empowering employees to make informed choices
- Conducted a health and safety survey among employees to gauge safe practices in anticipation of launching the "Safety – a way of life" programme
- Assisting with the wellbeing of our staff and their families through establishment of a free employee wellness programme, YouMatter
- Our new organisational structure and investing behind strategic capabilities have created multiple opportunities for staff promotion and advancement, as well as transformation
- Implementing our new agile, hybrid working model, MORE FLEX
- Implementing our "Total Rewards" strategy to ensure competitive remuneration
- Working with stakeholders to design a replacement employee share scheme that will more reliably deliver value to employees
- Employee involvement events and initiatives through the DO MORE FOUNDATION
- Annual DO MORE HEROES Conference to engage with heroes' feedback, plan together and acknowledge their support

QUALITY OF THE RELATIONSHIP

We have a generally positive relationship with our employees, as evidenced by a low industrial action rate, very low turnover and increasing interaction with our *Let's Talk* employee mobile app

OUR STAKEHOLDER ENGAGEMENT CONTINUED

GOVERNMENT

HOW WE CREATE VALUE	HOW WE ENGAGE	KEY ISSUES	LINKED TO KEY RISKS	OUR RESPONSE	QUALITY OF THE RELATIONSHIP
We are committed to supporting Government in achieving the goals of the National Development Plan (NDP), including food security, by: • Contributing to fiscal revenue • Supporting the transformation agenda • Operating our business ethically and ensuring good governance practices • Advancing Government's social and economic development agenda through social and economic partnerships in impoverished communities where we operate We are also committed to playing our part in enhancing the sustainability of the South African poultry and sugar industries through our participation in their respective master plans	• Direct engagement on key issues • Joint planning sessions • Meetings with local government • Participating in industry structures • Periodic reporting in the form of annual and interim reports • Regular communication by the DO MORE FOUNDATION on its multi-stakeholder programmes	• Future sustainability of the poultry and sugar industries • Alignment on industry growth and development plans • Sustainable land reform • Industry transformation • Ongoing compliance with regulatory framework • Employment creation and transformation • Food security • Equitable contribution to government taxes • ECD and implementation of the National Integrated Early Childhood Development (NIECD) Policy	• Pricing pressure • Food and product safety • Societal risks and unrest • Health and Safety • Non-compliance with legislation	• Collaborating with Government to implement the NIECD Policy • Active engagement with Government and industry to deal with issues of food security during the pandemic, social unrest and floods • Ongoing input towards implementation of the master plans for the poultry and sugar industry • Ensuring transformation in our mill areas through sustainable land reform and community economic development • Monitoring of all compliance requirements and engagement with Government to understand any proposed changes *Refer to page 74 for more information*	Our DO MORE FOUNDATION's relationship with the national and provincial departments of Health, Social Development and Basic Education has been strengthened through its multi-stakeholder partnerships in Nkomazi, Hammarsdale, Pongola and Worcester. RCL FOODS works constructively with Government on matters of mutual interest. Our relationship has strengthened through the pandemic, the riots and the flooding, and is becoming more collaborative due to the need to ensure food security and social stability

OUR STAKEHOLDER ENGAGEMENT CONTINUED

INVESTORS AND FUNDERS

HOW WE CREATE VALUE	HOW WE ENGAGE	KEY ISSUES	LINKED TO KEY RISKS	OUR RESPONSE	QUALITY OF THE RELATIONSHIP
We strive to provide our investors and funders with value through: • Consistent financial returns in the form of dividends and share price growth • Effective management of our financial resources and appropriate capital allocation decisions • Strict compliance with debt covenants and repayment schedules • Balanced disclosure to keep investors and funders informed of our progress • Regular engagement to remain informed of stakeholder views	• Periodic investor briefings, group and individual meetings, conferences, announcements and reports • Regular engagement with investors, analysts and fund managers which includes strategy updates • Direct engagement with shareholders on proposed resolutions prior to annual and extraordinary general meetings • Annual General Meeting • Dedicated investor section at www.rclfoods.com	• The need for improved and more sustainable returns • RCL FOODS' strategic portfolio review, its implications and its timing • Concerns that an unbundled RCL FOODS will be smaller and its shares more illiquid • Products and categories targeted for acquisitions • The turnaround of the chicken business and the end goal for Rainbow • ESG sustainability • The need for regulatory intervention in the poultry and sugar industries, and whether the master plans are durable solutions • The opportunity in plant-based foods • The cost and impact of the social unrest and floods • High commodity costs • Implications of the strategic review on the capital structure and funding requirements • Risks and opportunities in the rise of private label products	• Commodity price fluctuations • Pricing pressure • Reduced demand (customer and consumer) • Supply Chain Disruption • Food and product safety • Societal risks and unrest • Non-availability of IT systems • Health and Safety • Non-compliance with legislation	• Communicated progress with the managed separation and value-added growth strategy in the interim and annual results and investor events, as well as in the CEO Report *Refer to page 76 for more information* • Created a stand-alone chicken business (Rainbow) whose results are reported as a separate segment, providing clarity to investors on its progress • Continued to pursue plant-based initiatives through LIVEKINDLY Collective Africa – a significant opportunity for RCL FOODS • Acquisition of the Sunshine Bakery business is an important step in scaling the value-added business • Initiated development of a new, focused ESG sustainability strategy in 2022 • Ongoing engagement with government and industry to improve the sustainability of the local poultry and sugar industries via the respective master plan structures • Rapid and proactive response to the impacts of the social unrest and KwaZulu-Natal floods on our business • Hedging instruments employed to manage exposure to raw material and currency fluctuations • Balance sheet impact of proposed strategic actions is carefully assessed as part of the business case	We have a mutually beneficial relationship, with robust and healthy engagement between ourselves and equity as well as debt stakeholders

MEDIA

HOW WE CREATE VALUE	HOW WE ENGAGE	KEY ISSUES	LINKED TO KEY RISKS	OUR RESPONSE	QUALITY OF THE RELATIONSHIP
We see the media as a valued partner in relaying relevant information to our broader stakeholder community	• Press releases • Advertising • Face-to-face, telephonic and webcast engagement • Interviews with the CEO, CFO and other key executives • Product launches • Our website: www.rclfoods.com • DO MORE FOUNDATION website: www.domore.org.za	• RCL FOODS' operational and financial performance • Current industry issues • Current consumer issues • CSI initiatives • Environmental sustainability initiatives • Impact of the social unrest and flood disaster	• Food and product safety • Societal risks and unrest • Non-compliance with legislation	• Enhanced media engagement through our Corporate Brand department • All queries responded to within a specified period • Access to the CEO and CFO for editors and journalists • Increased participation in industry-related issues • Via the DO MORE FOUNDATION, ongoing sponsorship of positive parenting radio programmes	We maintain a relationship of mutual trust with most media entities as we strive to respond to all reasonable requests for information transparently and without undue delay

OUR STAKEHOLDER ENGAGEMENT CONTINUED

SUPPLIERS

HOW WE CREATE VALUE	HOW WE ENGAGE	KEY ISSUES	LINKED TO KEY RISKS	OUR RESPONSE	QUALITY OF THE RELATIONSHIP
• RCL FOODS currently has 14 327 active vendors across the Group, and we target to contract manage 85% of the value we spend. These suppliers supply us with over 340 sourcing categories across our business and are key to our value chain • Category management allows the business to deal with the "best in class" suppliers who use the latest technology and have a responsible environmental footprint. Category management allows us to better understand our supplier markets, identify potential risks and help design strategies to mitigate business risk • We strive to create value for our suppliers by promoting enterprise development through the responsible purchase of goods and services from B-BBEE accredited suppliers	Regular supplier review meetings and analysis allow us to give suppliers feedback on how they are performing against our key service level agreements (SLAs) regarding on-time delivery and product quality. We exchange valuable category information that enables us to manage risk, cost and waste and ensure continuous improvement	• Understanding the key supplier markets and where they source their inputs helps identify potential opportunities and risks • Creating a win-win partnership with our suppliers, during difficult economic conditions • Certain spend categories lack local accredited suppliers of certain key ingredients and materials in the South African market, hence reliance on non-accredited and/or international suppliers • Ability to guarantee supply to RCL FOODS in terms of meeting the minimum requirements of food safety • Local and international disruption of the material supply chain due to pandemics or supply issues at local or international level	• Supply Chain Disruption • Non-availability of information systems • Health and Safety • Non-compliance with legislation	• Implementing co-created sourcing strategies that can unlock opportunities, reduce risk and identify substitute materials • Strong partnership-based supplier relationships allowing the business to identify potential product improvements, improve efficiency throughout the supply chain and reduce total cost delivered • Continued support to develop domestic farmers through our interconnected business models • Focusing on trying to grow the opportunity for Qualifying Small Enterprise (QSE) and Exempt Micro Enterprise (EME) suppliers within the overall supply chain. • R11,6 billion spent with B-BBEE compliant suppliers in the 2022 financial year	On the whole, our supplier relationships are strong and collaborative

OUR MATERIAL RISKS AND OPPORTUNITIES

This past year has been a reflection of the highly dynamic environment in which we operate. Opportunities and risks are constantly evolving and require our operations to be both agile and resilient. We identify, assess and manage opportunities and risks through our Enterprise Risk Management (ERM) processes.

Our risks are managed in line with the RCL FOODS Risk Methodology and oversight is provided by our Board's Risk Committee. The Board recognises that our risk management processes are effective, both in continuously assessing opportunities and risks, and in ensuring that they are managed in line with our business strategy.

KEY INSIGHTS

The past few years have been dominated by the COVID-19 pandemic which impacted our operations, customers, suppliers and consumers in various ways. The past year has seen additional challenges arise, particularly the widespread social unrest in July 2021, extreme flooding in KwaZulu-Natal in April 2022, increased load-shedding and the Russia-Ukraine war. Our response to these events has further confirmed the robustness of our risk management processes.

The challenges we face also create **opportunities** for us to:

- continue to develop affordable and innovative solutions for cash-strapped consumers;
- leverage digital technology to create a more connected and insight-driven business;
- grow awareness of plant-based options as a sustainable protein alternative;
- make our operations more water and energy self-sufficient;
- decrease our waste to landfill and increase recycling, especially of plastics;
- reduce our reliance on imports by sourcing locally produced raw materials;
- be a positive influence in the communities in which we operate through our social and economic development initiatives; and
- expand our nutritional provision to vulnerable young children through the delivery of nutritionally enhanced DO MORE Porridge.

SBR *Refer to our CEO report on page 76 and our Sustainable Business Report available on our website at www.rclfoods.com/financial-results-and-reports-2022*

The **risks** below have been identified through our ERM process as being most material in terms of their potential impact on our business performance and strategic progress. These were derived from a series of interviews and workshops with senior leadership and agreed upon by the Risk Committee. The majority of the risks identified have the potential to, or are having an immediate impact on, the Group's operations and performance. Most of our key risks sit within the Economic and Business Interruption spheres, with the latter being more controllable. Economic risks are driven by weak economic growth, high levels of unemployment, exchange rate fluctuations, food price inflation and fuel price hikes.

While a handful of our sites were directly impacted by the social unrest and flooding, we were able to effectively manage the situation so as to mitigate any long-term impact on our facilities in the affected regions.

GOV *Refer to the Corporate Governance Report, available on our website at www.rclfoods.com/financial-results-and-reports-2022*

RISK NAME	RISK CATEGORY
Commodity Price Fluctuations	Economic
Pricing Pressure	Economic
Reduced Demand	Economic
Supply Chain Disruption	Business Interruption
Industrial Action	Business Interruption
Health and Safety	Business Interruption
Non-availability of Information Systems	Business Interruption
Energy Security and Pricing	Business Interruption
Food and Product Safety	Societal
Societal Risks and Unrest	Societal
Water Security and Pricing	Climate Change/Business Interruption
Non-compliance with legislation	Compliance

OUR MATERIAL RISKS CONTINUED

MATERIAL ISSUE 01

The cost of our products is affected by the cost of the underlying commodities and raw materials required for their production. Our exposure to commodity pricing risk is increased by currency fluctuations linked to political uncertainty, changes in global and local market conditions, and adverse climate conditions.

COMMODITY PRICE FLUCTUATIONS

RISKS

- Volatility of raw material prices due to exchange rate fluctuations
- Volatility of raw material prices due to supply and demand movements locally and globally
- Unavailability of raw materials in the local market

RISK RESPONSE STRATEGIES AND OPPORTUNITIES

- Clear procurement strategy in place, guided by the Divisional Procurement Policy
- Monthly meetings of Commodity Procurement Committee to review strategy, prices and mandates
- Monthly comparison of raw material prices against South African Futures Exchange (SAFEX) market prices and competitors
- Annual internal review performed on commodity procurement processes
- Strong governance and risk management principles applied and entrenched within business processes
- Opportunities constantly investigated for local supply of raw materials to reduce reliance on imports

STAKEHOLDERS: CAPITALS:

For detail on commodity price activity, refer to the CFO's report from page 85.

MATERIAL ISSUE 02

The Group continues to face ongoing macro-economic challenges, resulting in increasing costs which are difficult to pass on to consumers. Weak tariff protection on imports, coupled with external factors threatening the sugar and poultry industry, amplify the impact of this risk on the Group's performance.

PRICING PRESSURE

RISKS

- Pricing pressure driven by significant input cost hikes
- Oversupply of chicken in the local market due to imports
- Exposure to sugar price variations (i.e. world sugar price volatility)
- The impact of the Health Promotion Levy (HPL) (also known as Sugar Tax) reducing demand

RISK RESPONSE STRATEGIES AND OPPORTUNITIES

- Emphasizing cost reductions, operational effectiveness and increasing cost competitiveness
- Robust strategic planning that positions us to proactively address pricing pressure risks
- Strong focus on commodity procurement
- Building brand equity through innovation and marketing initiatives
- Forward integration of flour and sugar to reduce exposure to market fluctuations
- Supporting the industry transformation agenda with South African Poultry Association (SAPA) and South African Sugar Association (SASA)
- Supporting the poultry and sugar industry master plans
- Establishing solid partnerships with key customers
- New acquisition opportunities to build scale and dilute costs
- Ongoing engagement with government to find appropriate solutions for all stakeholders

STAKEHOLDERS: CAPITALS:

MATERIAL ISSUE 03

Pressure to deliver products and services against heightened customer expectations is increasing due to challenges in the macro-economic environment. Consumer tastes and preferences are continually evolving which further increases the risk of consumers shifting to competitor products.

REDUCED DEMAND

RISKS

- Decrease in demand from key customers
- Loss of key customers due to customer pressures/changes in operating environment
- Increased competition resulting in declining market share of product categories
- Changing consumer buying behaviours attributable to lower household disposable income

RISK RESPONSE STRATEGIES AND OPPORTUNITIES

- Strong focus on rebuilding volumes in channels and categories impacted by lockdowns
- Continuous monitoring of external market trends and collation of consumer and customer insights to develop category and brand strategies
- Continuous investment in research and development (R&D) and product/brand development
- Building and maintaining trading relationships across all customers
- Development of joint engagement plans with key customers that include innovation development and customer service objectives
- Group marketing and sales capabilities
- Innovation and value-added launches to drive and enable growth and differentiation
- Establishing, monitoring and enhancing relationships between our brands, customers and consumers to ensure value creation for all stakeholders

STAKEHOLDERS: CAPITALS:

MATERIAL ISSUE 04

The outbreak of Highly Pathogenic Avian Influenza (HPAI) within South Africa could negatively impact our ability to service our customers and could have a material financial impact on the Group. The Russia-Ukraine war continues to impact the Group's supply chain network, resulting in challenges with the availability of commodities and other raw materials as well as third-party supply shortages. The risk of strike action presents uncertainty ahead of wage negotiations for key sites.

SUPPLY CHAIN DISRUPTION

RISKS

- Disease outbreak impacting our chicken flock
- Supply disruption due to shortage of raw material supply
- Global risk events (currently, Russia-Ukraine war) impacting the availability of raw materials
- Fire in plant/warehouse
- Business interruption due to failure in critical equipment
- Business interruption due to strike action

RISK RESPONSE STRATEGIES AND OPPORTUNITIES

- Enhanced bio-security controls emphasised across all Rainbow sites
- Adherence to good farming practices and extensive precautionary measures to ensure chicken flock health
- Continuous engagement with customers and suppliers
- Business continuity plans in place for key suppliers
- Established COVID-19 policies and procedures to ensure continuity of supply chain
- Business continuity and disaster recovery plans in place to deal with major incidents or crises
- Close engagement with external risk assessors and insurers to ensure that all facilities have adequate fire detection and prevention measures in place
- Continued focus on forging strong relationships with the unions of our different business units
- Alternative labour arrangements in place

STAKEHOLDERS: CAPITALS:

OUR MATERIAL RISKS CONTINUED

MATERIAL ISSUE 05

Harmful acts, compromised continuity of operations due to society protests, civil unrest or turbulence in the wider external community compromising health and safety of RCL FOODS employees and productivity on the shopfloor.

INDUSTRIAL ACTION

RISKS	RISK RESPONSE STRATEGIES AND OPPORTUNITIES
• Loss of production and revenue • Employee loss of pay/dismissal • Negative publicity/reputational impact	• Continual engagements and relationship building with trade unions • Maintaining good relationships with local communities, governments, customers and employees • Monitoring the evolving public environment to identify potential political, reputational or security threats • Minimising the business interruption impact through legal processes, with a coordinated and sustainable community engagement strategy underway • Strike action plans in place • Recognition and wage agreements in place at certain sites which detail terms of relationships with unions, ensuring stability

STAKEHOLDERS: CAPITALS:

MATERIAL ISSUE 06

The Group anticipates the health and safety impact of COVID-19 decreasing further given the easing of government restrictions and protocols. The risk is now characterised as a general health and safety risk which remains a top priority for the business.

HEALTH AND SAFETY

RISKS	RISK RESPONSE STRATEGIES AND OPPORTUNITIES
• Significant increase in absenteeism of employees due to infections/injuries • Supply disruption due to shortage of labour • Productivity and performance • Loss of life • Mental fatigue and workplace stress	• Safety awareness initiatives such as Safety Days and Safety Culture Surveys • Continuous health and safety education, training and communication • Occupational healthcare clinics at our main operating sites and mobile clinics for outlying sites • Implementation of YouMatter Employee Wellness Programme *Refer to page 36 for more information* • On-site Hazard Incident Risk Assessments (HIRA) and Hazard and Operability Analysis (HAZOP) are continuously updated to track corrective and preventative actions

STAKEHOLDERS: CAPITALS:

MATERIAL ISSUE 07

The growing reliance on technology is accompanied by a number of operational, security and strategic risks for businesses. The opportunities created by embracing new technologies and new ways of doing business (such as automation, artificial intelligence, block chain, cloud computing and Internet of Things) also create additional risks related to information security and continuity.

NON-AVAILABILITY OF INFORMATION SYSTEMS

RISKS	RISK RESPONSE STRATEGIES AND OPPORTUNITIES
• Critical system downtime • Cyber-attacks • Unauthorised access, misuse and disclosure of sensitive information	RCL FOODS' Information Technology (IT) infrastructure is safeguarded through a robust and effective IT General Control environment which covers all the layers of the IT infrastructure. Assurance over the controls and processes is obtained through various reviews performed by both internal and external experts. Key controls at RCL FOODS include, but are not limited to: • Segregation of duties • Antivirus and malware protection • Network and email security • Data classification and retention • Use of reputable service providers • Secure configuration • Incident management • Managing user privileges • Threat and vulnerability assessments • Information security maturity assessments • Ongoing training regarding information security • Disaster recovery plans and back-up strategies • External assurance of Information Technology Governance Controls (ITGC) performed for applicable business units • Insurance cover in place to offset potential losses from cyber risk incidents

STAKEHOLDERS: CAPITALS:

OUR MATERIAL RISKS CONTINUED

MATERIAL ISSUE 08

The complex global challenges and uncertainties related to climate change and resource scarcity may affect the ability of the Group to achieve its strategic objectives. The Group considers it critical to monitor and respond to the related issues of climate change and sustainability through a dedicated Sustainability team, in order to position ourselves well against future environmental threats in the long term.

ENERGY SECURITY AND PRICING

RISKS	RISK RESPONSE STRATEGIES AND OPPORTUNITIES
Ageing infrastructure, with inadequate maintenance and replacement plans by municipalities and Eskom, elevates the risk of disruption due to lack of power	• Dedicated Sustainability team proactively drives our sustainability agenda, focusing largely on energy, water and waste • Inclusion of Sustainability in our Group Strategy, with progress against targets monitored by the Group Executives and Risk Committee • Robust strategic planning to ensure Group operations are resilient against energy shortages • Implementation of renewable energy projects e.g. Waste-to-Value, solar and co-generation • Energy reduction initiatives • Generators installed to provide emergency power where possible
STAKEHOLDERS:	CAPITALS:

MATERIAL ISSUE 09

Food and product safety is of paramount importance in our business and we adopt a proactive approach in ensuring safety standards are met.

FOOD AND PRODUCT SAFETY

RISKS	RISK RESPONSE STRATEGIES AND OPPORTUNITIES
Products could potentially be subjected to food or product hazards if not managed within the supply chain. Failure to meet product safety and quality standards could lead to: • reputational damage • product liability claims • product recalls and • heightened expectations and oversight from key stakeholders	• Robust, comprehensive product quality processes and controls in place • All food production sites either FSSC 22000 or ISO 22000 certified • Food safety risks are identified using the Hazard Analysis Critical Control Point (HACCP) methodology and managed through the implementation of pre-requisite programmes relevant to the scope of certifications • Regular audits performed by Group Safety, Health, Environment and Quality (SHEQ), internal audit, independent risk consultants, customers and independent standards authorities • Cleaning and hygiene procedures entrenched in business processes • Procedures in place to prevent product cross-contamination • Pathogen testing of products and processing environments • Well-established withdrawal and recall procedures • Investment in new technology and equipment to further enhance our food safety • Ongoing Food Safety culture and awareness initiatives and training
STAKEHOLDERS:	CAPITALS:

MATERIAL ISSUE 10

Harmful acts, compromised continuity of operations due to society protests, civil unrest or turbulence in the wider external community could compromise the health and safety of RCL FOODS employees and productivity on the shopfloor.

SOCIETAL RISKS AND UNREST

RISKS	RISK RESPONSE STRATEGIES AND OPPORTUNITIES
• Looting and violence • Community disruption • Criminal activity harming employees (e.g. hijackings) • Supply chain disruption • Loss of revenue and profitability	• Maintaining good relationships with local communities, governments, customers and employees • Monitoring the evolving public environment to identify potential political, reputational or security threats • Minimising the business interruption impact through legal processes, with a coordinated and sustainable community engagement strategy underway • Business continuity plans in place • Strengthening employees' resilience through our YouMatter Employee Wellness Programme
STAKEHOLDERS:	CAPITALS:

OUR MATERIAL RISKS CONTINUED

MATERIAL ISSUE 11

The complex global challenges and uncertainties related to climate change and resource scarcity may affect the ability of the Group to achieve its strategic objectives. The Group considers it critical to monitor and respond to the related issues of climate change and sustainability through a dedicated Sustainability team, in order to position ourselves well against future environmental threats in the long term.

WATER SECURITY AND PRICING

RISKS	RISK RESPONSE STRATEGIES AND OPPORTUNITIES
• Climate change has the potential to fundamentally disrupt the food industry across the globe and specifically within Africa. Failure to adapt to, or deliver an effective mitigation strategy in response to climate change could have significant impact on the Group's ability to meet its strategic objectives • Ageing infrastructure, with inadequate maintenance and replacement plans by municipalities, further elevates the risk of disruption due to lack of water	• Dedicated Sustainability team proactively drives our sustainability agenda, focusing largely on energy, water and waste • Inclusion of Sustainability in our Group Strategy, with progress against targets monitored by the Group Executives and Risk Committee • Robust strategic planning to ensure operations are resilient against water shortages • Implementation of water efficiency and conservation projects e.g. replacement of inefficient irrigation systems • Detailed review of water reliance and resilience is being performed at key sites. This review identifies the site's level of reliance on municipal infrastructure, as well as its water catchment area, to build long-term plans for sustainability

STAKEHOLDERS: CAPITALS:

For further details, refer to the Sustainable Business Report available on our website at www.rclfoods.com/financial-results-and-reports-2022

MATERIAL ISSUE 12

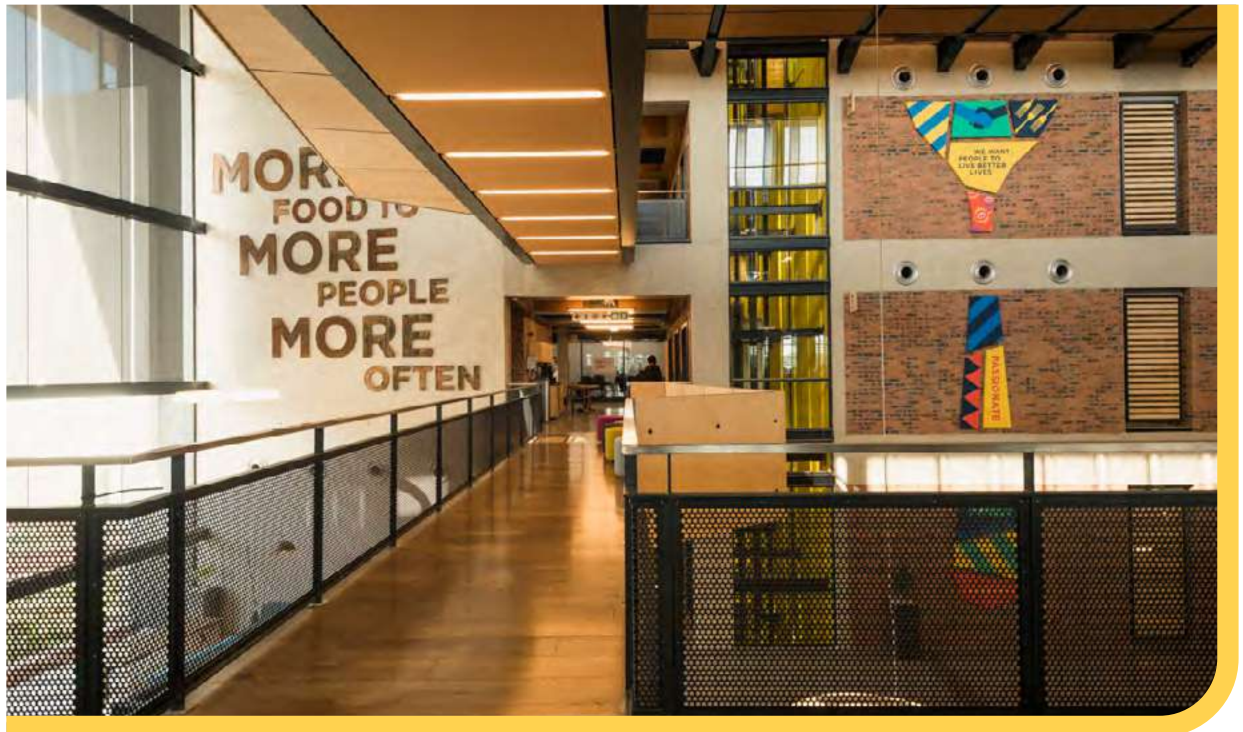
The regulatory and compliance environment in which we operate is complex and always evolving. Failure to manage compliance may affect our reputation and result in fines and penalties. We are aware of our obligation to achieve and maintain compliance and have programmes, assurance activities and other initiatives in place to support this.

NON-COMPLIANCE WITH LAWS AND REGULATIONS

RISKS	RISK RESPONSE STRATEGIES AND OPPORTUNITIES
• Non-compliance with legislation and regulations, resulting in fines and penalties • Possible reputational damage to brands and RCL FOODS' corporate brand	• RCL FOODS Compliance framework to enable accountability for, prioritisation of and compliance to legislation • RCL FOODS Regulatory Universe established • Identification of the Environmental and SHEQ compliance universe to ensure all sites are fully compliant. Where gaps are identified, plans are implemented to close them • Ongoing provision of targeted training and awareness across the business • Appropriate policies, systems, procedures and reporting • Appointment of skilled technical resources and consultation with subject matter experts • Combined assurance strategy whereby audits are performed by various internal and external independent bodies on various aspects of food and safety compliance, accounting, tax etc. • Dedicated Executive responsible for communication and correspondence with the media

STAKEHOLDERS: CAPITALS:

Refer to the Corporate Governance Report, available on our website at www.rclfoods.com/financial-results-and-reports-2022



OUR LEADERS

NON-EXECUTIVE DIRECTORS

1 JJ (JANNIE) DURAND (55)

Non-executive Chairman

BAcc (Hons), MPhil (Oxon), CA(SA)

Appointed: June 2012

Directorships: Chief Executive Officer of Remgro Limited and currently a director of a number of companies including Distell Group Limited; Rand Merchant Investment Holdings Limited, where he serves as Chairman; and Mediclinic International Limited where he serves as a non-executive director.

Jannie is a Chartered Accountant and was previously the Chief Investment Officer of Remgro Limited. He was also previously the Financial Director and Chief Executive Officer of VenFin Limited. Prior to his appointment as Chairman, Jannie served as a non-executive director of RCL FOODS from March 2010.

2 CJ (CINDY) HESS (46)

Independent non-executive director

BCom (UWC), PGDA (UCT), CA(SA)

Appointed: February 2018

Directorships: Equites Property Fund Limited, Truworths International Limited

Cindy is a qualified Chartered Accountant and has served as Chief Financial Officer at Pioneer Food Group Holdings Proprietary Limited, Sea Harvest Holdings Proprietary Limited (now Sea Harvest Group Limited) and Media24 Holdings Proprietary Limited. She started her career at KPMG in 1999 and has since also held executive positions at Woolworths Limited and within the Transnet Group. She is an experienced non-executive director and serves as trustee on several foundations. During 2021 she concluded her term as the Deputy Chair of the Council of the University of the Western Cape.

3 PM (PENNY) MOUMAKWA (58)

Independent non-executive director

MBChB, MAP (Wits), GMP (Harvard)

Appointed: January 2019

Directorships: Mohau Equity Partners, Growthpoint Health Properties, Clicks Group and Wits Donald Gordon Medical Centre

Penny is the Chief Executive Officer and Founder of Mohau Equity Partners, a long-term investment vehicle, in partnership with Discovery.

Previously she worked in multiple senior executive roles within Discovery and served on the Central Executive committee as well as on the board of Discovery Health. She also worked as the Chief Executive Officer of the Board of Healthcare Funders as well as served as the deputy chairperson of the Board. Penny currently serves as a non-executive director on several boards: Clicks Group, Wits Donald Gordon Medical Centre and Growthpoint Health. Penny is also chairperson of Witkoppen Health and Welfare clinic. She is a medical doctor by qualification and has qualifications from a number of business schools including Harvard, Columbia, Wits and the University of Michigan.

4 MM (MANANA) NHLANHLA (70)*

Independent non-executive director

BSc, MA (Information Science)

Appointed: July 2005

Directorships: Mion Holdings and all its subsidiaries, Vunani Fund Managers Proprietary Limited and Prospect Resources Proprietary Limited

Manana's experience covers 10 years of university lectureship in Information Science, serving on various boards as non-executive director and currently as executive chairperson of Mion Holdings, a company she co-founded in 2003, based in KwaZulu-Natal.

* *Retired on 16 November 2021.*

5 NP (PETER) MAGEZA (67)

Independent non-executive director

ACCA (UK)

Appointed: September 2009

Directorships: Anglo American Platinum Limited, Remgro Limited, SAPPI Limited

Peter was formerly the Chief Operations Officer of the Absa Group. He is a Chartered Certified Accountant and a Fellow of The Association of Chartered Certified Accountants (ACCA) UK. He has gained extensive experience through holding various executive positions in the audit, financial services and the transport and logistics sectors.

6 DTV (DERRICK) MSIBI (53)

Independent non-executive director

BBusSc (Hons), BCom (Hons), MCom, CA(SA)

Appointed: August 2013

Directorships: STANLIB Asset Management Proprietary Limited, STANLIB Wealth Proprietary Limited, STANLIB Collective Investments Proprietary Limited, Real People Investment Holdings Proprietary Limited, Real People Assurance Company Limited and Bakwena Platinum Concessionaire Company Proprietary Limited

Derrick is currently Chief Executive Officer of STANLIB Asset Management and Executive for the Asset Management Cluster of Liberty Group Holdings Limited. He previously served as the managing director of Investment Solutions (now known as Alexander Forbes Investments), the investment services arm of the Alexander Forbes Group from 2009 to 2017. He was also joint head/leader of the Institutional Business Cluster of the Alexander Forbes Group. Derrick, a chartered accountant, serves on the boards and committees of entities forming the Asset Management Cluster of the Liberty Group. He is an independent investment committee member of Trinitas Private Equity Fund and was previously a board member of TSIBA Education, a scholarship-only tertiary institution registered with the Department of Higher Education.

7 GM (GEORGE) STEYN (63)

Independent non-executive director

BA (Law) LLB

Appointed: August 2013

Directorships: Du Toit Group Proprietary Limited (Chairman) and Kaap Agri Limited (Chairman)

George has extensive experience in the retail sector, having joined the Pepkor Group in 1986 and has served as an Executive Director of Pep Retail Limited and Pepkor Retail Limited from 1991 to 2005, and as Managing Director from 2005 to 2011. He served as a non-executive director of Pepkor Retail Limited until 2015. George also farms in the Karoo and is actively involved in the broader community, and served as Chairman of Stellenbosch University Council for more than ten years.

8 HJ (HEIN) CARSE (61)

Non-executive director

M Eng (US), MBA (UP)

Appointed: February 2013

Directorships: Air Products SA Proprietary Limited, eMedia Investments Proprietary Limited, Seacom Limited, Historical Homes of South Africa Limited

Hein joined Rupert International in 1996 and continued to serve the Remgro Group as an investment executive, first of VenFin Limited and then Remgro Limited. He has gained extensive knowledge through holding positions on various boards and committees during his career.

9 PR (PIETER) LOUW (53)

Non-executive director

CA(SA)

Appointed: December 2008

Directorships: Various wholly-owned subsidiaries within the Remgro Group and Distell Group Holdings Limited

Pieter is a Chartered Accountant who qualified with PricewaterhouseCoopers Inc. in Stellenbosch, before joining the Remgro Group in 2001. He is currently Head of Corporate Finance.

10 GCJ (KEES) TIELENIUS KRUYTHOFF (54)*

Non-executive director

Business Economics (Erasmus University, Rotterdam, Netherlands)

Appointed: 22 April 2020

Directorships: Past Chairman and Chief Executive Officer for The LIVEKINDLY Collective, Chairman of MrGreenAfrica, Distell Group

Founder – Imagine

Kees is a uniquely global leader with extensive experience in brand building, strategic direction and performance management, and strategically repositioning businesses for growth. He is a passionate believer in business as a force for good and is committed to global food transformation. He was previously General Manager of Unilever South Africa, General Manager of Unilever Brazil, President of Unilever North America and President of Unilever Home Care Division.

* *Dutch*

11 GC (GCINA) ZONDI (49)

Non-executive director

BCompt (Hons), AGA (SA)

Appointed: July 2008

Directorships: Imbewu Capital Partners, Isegen South Africa, Container Conversions, Icon Construction, International Facilities Services (SA), NPC-Intercement and Hulamin Limited

Gcina is the founding chief executive and shareholder of Imbewu Capital Partners. He is a qualified General Accountant and is an associate of the South African Institute of Chartered Accountants. He has more than 22 years experience in the private equity industry, of which six years were spent with Nedbank Capital Private Equity as a Private Equity Manager. Prior to joining Nedbank, Gcina completed his articles of clerkship at KPMG Durban and worked for Hulamin Limited in the finance division for two and a half years prior to joining KPMG.

12 PJ (PAUL) NEETHLING (37)

Alternate non-executive director

Alternate to JJ Durand

BCom (Hons)

Appointed: June 2019

Directorships: Paul is a director of Remgro Limited

He served as an investment executive at Remgro Management Services and has a BCom (Hons) in Financial and Investment Management. He also serves as a director on various agricultural, wine and distribution businesses.

EXECUTIVE DIRECTORS

13 PD (PAUL) CRUICKSHANK (48)

Executive director – Chief Executive Officer

CA(SA)

Appointed: December 2021

Directorships: RCL Foods Limited and its subsidiary companies

Paul is a qualified CA(SA), and began his career as an auditor with Deloitte South Africa before joining Rainbow Chicken Limited in 2004 as Group Financial Manager. In his 18 years with RCL FOODS he has gained extensive experience in commercial, supply chain and operational directorship roles across the business, culminating in his current position.

* *Appointed on 1 December 2021.*

14 RH (ROB) FIELD (51)

Executive director – Chief Financial Officer

CA(SA)

Appointed: July 2004

Directorships: RCL Foods Limited and its subsidiary companies

Rob is a Chartered Accountant who qualified with Deloitte & Touche in Durban. Prior to joining Rainbow in May 2003, he spent four years as Commercial Director of Robertsons Homecare Proprietary Limited.

15 M (MILES) DALLY (65)*

Executive director – Chief Executive Officer

BCom

Appointed: February 2003

Directorships: RCL Foods Limited and its subsidiary companies, LIVEKINDLY Collective Africa

Miles has over 30 years experience in the consumer goods industry and served as Group Managing Director of Robertsons Holdings Proprietary Limited from 1995 to 2002. After the unbundling of Robertsons Holdings he accepted the position of Chief Executive Officer at RCL Foods Limited. Miles has previously served as the Non-executive Chairman of SC Johnson and Son South Africa Proprietary Limited as well as on the boards of the Consumer Goods Council of South Africa (CGCSA) and Umhlanga College.

* *Retired on 30 November 2021.*

AUDIT COMMITTEE (CJ HESS, CHAIRPERSON)
REMUNERATION AND NOMINATIONS COMMITTEE (NP MAGEZA, CHAIRPERSON)
RISK COMMITTEE (GC ZONDI, CHAIRPERSON)
SOCIAL AND ETHICS COMMITTEE (GC ZONDI, CHAIRPERSON)

CORPORATE GOVERNANCE

We are committed to the highest standards of corporate governance, principles and practices as set out in the King IV Code of Corporate Governance (King IV). We advocate the ethical attributes of integrity, competence, responsibility, fairness, and transparency and our Board is tasked with ensuring that these values and characteristics are embodied within our business through ethical, effective leadership.

The Board is also held accountable for providing ethical and effective leadership, and an annual evaluation is performed to assess its effectiveness and that of its sub-committees and individual members. For the period under review, the Board is of the opinion that RCL FOODS has operated in accordance with the requirements of King IV. It is further satisfied that it has met the requirements of the Companies Act of South Africa and the JSE Listings Requirements and has fulfilled its responsibilities in accordance with its approved Board Charter. The Board confirms the Group's compliance with the Companies Act and the Company's Memorandum of Incorporation for the reporting period.

RCL FOODS Board

RCL FOODS board is the custodian of corporate governance by providing effective leadership based on an ethical foundation. The roles and responsibilities of the Board are set out in a formal Board Charter, which is reviewed annually. In discharging its duties, the Board has delegated certain functions to its sub-committees.

- Audit Committee
- Social and Ethics Committee
- Remuneration and Nominations Committee
- Risk Committee

OUR GOVERNANCE FRAMEWORK

RCL FOODS' governance framework consists of the Board, its sub-committees and various related structures and compliance processes. Together they ensure that the four governance outcomes espoused in King IV – ethical culture, effective control, legitimacy and good performance – are achieved across all aspects of the Group. The composition of the Board and its committees is in line with King IV requirements.

There is a clear balance of power within the Board and its sub-committees to ensure that no individual has undue decision-making powers. Each committee has its own terms of reference which sets out its roles and responsibilities, as approved by the Board. In the case of the Risk Committee and the Social and Ethics Committee, where the Chairman is not independent, other Committee directors take responsibility for ensuring that the Chairman encourages proper deliberation on all matters requiring the Committee's attention. The composition of the Board and its committees is considered by the Remuneration and Nominations Committee, taking into account experience, skills, applicable regulations and committee mandates.

Our governance framework is reviewed regularly to ensure that our Board exercises effective and ethical leadership, conducts its affairs as a good corporate citizen and takes appropriate decisions to ensure sustainable value creation for all its stakeholders.

MANAGING OUR BUSINESS SUSTAINABLY – ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FOCUS

The Board, via the Social and Ethics Committee mandate, drives the advancement of economic and ESG oversight and ongoing engagement with a diverse range of stakeholders. Sustainability is a key element of RCL FOODS' strategy, and ESG risks and opportunities are taken into account in both strategic planning and execution. Examples of proactive ESG initiatives contributing to RCL FOODS' long-term sustainability are our renewable energy projects, our DO MORE FOUNDATION and our investment in LIVEKINDLY Collective Africa.

The Group's material ESG issues are identified based on an assessment of how we create value, the impact of the external operating context on value creation, the material interests of our stakeholders, and the principal risks facing the Group. ESG matters are addressed as part of an ongoing, structured approach to risk management, and are strongly embedded in the Group's strategy of driving sustainable business.

At an operational level, effective management systems are in place to mitigate ESG risks and respond to sustainability opportunities across the Group. The Group has adopted a combined assurance approach to monitoring and managing ESG risks and opportunities, including but not limited to internal audit site reviews, independent environmental audits and the ISO 14001 environmental management system at applicable sites.

OUR STRATEGIC RESPONSE

The Group acknowledges that there are areas within its mandate that are evolving, and management's responses will need to adapt to changes in the environmental, social and governance agenda.

In 2022 we conducted a detailed materiality assessment which has identified our key areas of impact both within and beyond our business. Based on this, we are currently revising our existing Sustainable Business Framework which is a key element in our third strategic pillar, Built to Last. All material ESG matters for the 2022 financial year are reported according to our existing Sustainable Business Framework, of which a summary is included in the Integrated Annual Report and a more detailed account can be found in our Sustainable Business Report.

In order to mount an effective strategic response to the dynamic market and industry in which it operates, the Group makes every effort to proactively engage with government and other stakeholders to identify and anticipate stakeholder trends and needs, as well as changes in legislation and regulations.

For more information on the Board and its sub-committees' roles and responsibilities, refer to the Governance section of our website at www.rclfoods.com/governance. Details of the Group's Corporate Governance structures and activities for the period under review are included in the Corporate Governance Report, available on our website at www.rclfoods.com/financial-results-and-reports-2022

OUR STRATEGIC PROGRESS

RCL FOODS VALUE-ADDED BUSINESS
(GROCERIES, BAKING AND SUGAR)

RCL FOODS is on a journey to create a value-added branded business of scale that delivers sustainable value to all our stakeholders.

At a Group level, our focus in the 2022 financial year has been on laying the foundations for the scaling of our value-added component (RCL FOODS Value-Added Business) and separating our Rainbow and Vector Logistics businesses into standalone entities within the Group to set them (and ultimately Sugar) on an optimised growth path. An update on our progress with this strategic transformation journey is provided in our CEO's report on page 76. In the pages that follow, we outline the progress of our RCL FOODS Value-Added Business, Rainbow and Vector Logistics against their respective individual strategies.

A DIVERSE, HIGH-PERFORMANCE CULTURE

CREATING A DIVERSE BUSINESS ENVIRONMENT THAT FEELS LIKE "HOME" FOR ALL AND LEVERAGES OUR STRATEGIC CAPABILITY ADVANTAGE

DELIVERING ON OUR STRATEGY IN 2022:

- We **appointed a Chief Growth Officer** and set up cross-functional Growth Leadership Team as a key pillar of growth
- **Collapsed and integrated previous "Group" and "Foods"** executive teams into ONE RCL FOODS structure
- We **invested in key strategic capabilities** to drive competitive advantage, such as consumer insights and Research & Development (R&D), and to deliver on our Sustainable Packaging Strategy
- We appointed **senior resources to lead key business priorities:** Diversity & Inclusivity (D&I), Environmental, Social and Governance (ESG), Health, Environment and Quality (SHEQ) and Purpose
- We have **intensified our efforts to improve diversity in our senior leadership.** Women and African, Coloured and Indian (ACI) employees now make up 41% of our E band and ACI employees alone make up 32% of E band, and we are working to increase this further
- We developed our leadership and professional skills through our **RCL FOODS LEARN MORE College which now comprises 10 academies**

FOCUS AREAS 2023:

- Entrench clarity and ways of working in **new executive structure**
- Delivery of **year one of accelerated growth plan**
- Continue to **drive strategic capability investment**
- Continue increasing our **management diversity**
- Activate our **refreshed Diversity & Inclusivity framework** within the business

RCL FOODS VALUE-ADDED BUSINESS CONTINUED

A BUSINESS OF SCALE

LEVERAGING OUR DYNAMIC PLATFORM TO CREATE A BUSINESS OF THE RIGHT SCALE THAT OWNS A GREATER SHARE OF THE CUSTOMER STORE ENVIRONMENT AND DELIVERS AN EBITDA MARGIN PERCENTAGE AHEAD OF OUR PEERS

DELIVERING ON OUR STRATEGY IN 2022:

- We laid the foundation for a **branded, growth-ready business**
- **Pending acquisition of Sunshine Bakery** business to build scale and expand geographically
- We completed our **first year** as joint venture partners of and management service providers to **LIVEKINDLY Collective Africa**
- We **added a value tier** to our Yum Yum and Nola brand offerings
- Our premium-tier **range extensions** in Ouma Rusks, Yum Yum Peanut Butter and Number 1 Mageu were successfully launched
- We launched the **Pieman's frozen retail range** which is showing strong growth
- We **grew our market share in Pet Food,** aided by our tiered portfolio and newer Pet channels – co-ops and pet shops (Optimizor) and vet shops (Ultra Dog and Ultra Cat)
- We developed a **strong Grocery innovation funnel** to meet emerging trends
- We created **additional Sunbake depots** to support volume expansion
- We entered a formal partnership with a key customer to **drive growth in the plant-based and pet categories**
- We are prioritising **net revenue management** (NRM) to provide fuel for growth
- We successfully leveraged our food service customer relationships to **accelerate growth beyond chicken in Food Partners**
- We launched a **new crumb coating for Chicken Licken** that has been well received
- We **identified key channels to enter and/or scale up,** with appropriate strategies
- We grew our Grocery **e-commerce by 73%**

FOCUS AREAS 2023:

- Continue to drive **relevant innovation** in value and premium tiers
- Commission **Polokwane bakery expansion** and deliver on business case
- Successfully integrate **Sunshine Bakery** into baking business
- Increase **Pies volumes and leverage new capabilities** to drive innovation
- Reposition **Number 1 Mageu** brand and offering to drive relevance
- Continue to **execute managed separation** of Rainbow and Vector Logistics
- **Finalise and execute NRM programme roadmap** and commence delivery
- **Manage volumes versus margin** in high inflationary environment
- **Invest and accelerate growth** in new and emerging channels

BUILT TO LAST

EFFICIENT OPERATIONS AND RESPONSIBLE ASSET INVESTMENT, **WHILE ASPIRING TO BUILD A "NET POSITIVE"** BUSINESS THAT GIVES BACK MORE THAN IT TAKES

DELIVERING ON OUR STRATEGY IN 2022:

- We launched a **Best In Class initiative** to generate savings and support growth
- We readied our **Baking business to go live** with its new Enterprise Resource Planning (ERP) system in July 2022
- We secured **cane supply agreements** in Pongola and initiated them in Nkomazi to ensure full use of milling capacity
- We secured funding to reinstate **irrigation for small-scale cane growers**
- We **identified key material ESG issues** and commenced development of updated sustainability strategy
- Through our DO MORE FOUNDATION, we provided **over 15 million meals to communities affected by unrest and flooding**
- We are **actively partnering with customers and the plastics industry to improve our packaging sustainability.** We have launched a number of improvements to increase the recyclability and recycling rate of our packaging, with more in the pipeline

For more information, please refer to the Sustainable Business Report, available at www.rclfoods.com/financial-results-and-reports-2022

- Our **sugar mills generated 86%** of their own power
- We continued to see an **improvement in water use efficiency** in Sugar agriculture
- We have made progress in **developing a safety culture** under our new SHERQ director

FOCUS AREAS 2023:

- Establish a framework to **drive continuous execution of identified "best in class" savings**
- Successfully **launch the new ERP system** in Baking and leverage enhanced visibility of business processes
- **Resolve operational challenges** in Pies and Speciality
- **Finalise cane supply** agreement in Nkomazi
- **Deliver a sustainable funding model** for cane joint ventures
- **Enhance Malalane refinery** operating efficiency
- Finalise **sustainability strategy**
- **Streamline SHERQ** integrated management system culture

RAINBOW

Rainbow's turnaround strategy focuses on **delivering a sustainable operating profit by reducing the cost of production, a return to 'brilliant basics' in agriculture, and improving market realisation.** Key to this is the creation of a focused and motivated team and regional management structures. Good progress has been made in the last 12 months, despite commodity input cost increases and other headwinds.

DELIVERING ON OUR STRATEGY IN

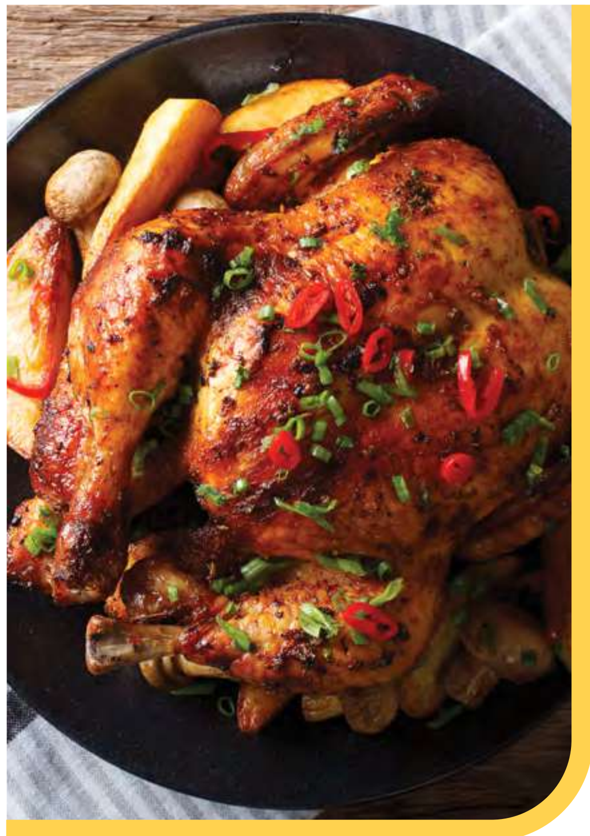
2022:

- We successfully **implemented regional leadership structures** and appointed key senior leaders
- We have **established dedicated functional teams** in key areas, providing enhanced focus (e.g. Marketing and Sales)
- We are progressively establishing a **Rainbow culture** of caring, accountability and achievement
- **Cost management initiatives** have been implemented across the supply chain
- **Procurement received focused attention** to navigate record-high feed costs
- We **enhanced our management of the current breed,** leading to improved agricultural performance
- We **placed our first grandparent and parent flocks** as we introduce the new breed
- We **revised our contract grower model** in KwaZulu-Natal and Western Cape
- Our team achieved a better customer, channel and product mix
- We **increased our Rainbow brand investment** through a national media campaign and the launch of two Simply Chicken innovations during the year
- We made the landmark decision to **reinstate the second shift at Hammarsdale processing facility** to drive economies of scale and restore profitability in KwaZulu-Natal
- Slow progress on ramp-up of **Rustenburg Waste-to-Value (W2V) plant** due to technical challenges

FOCUS AREAS

2023:

- **Execute upgrades at Hammarsdale P2 processing plant and hatchery and finalise contract growers** for additional volumes
- Improve external **Epol feed volumes**
- **Address W2V technical challenges in Rustenburg** to deliver business case
- Continue to **develop own capabilities** where appropriate and **prepare for full separation**



VECTOR LOGISTICS

Vector Logistics seeks to **grow its revenue through optimising its core business, whilst simultaneously developing a portfolio of adjacent and transformational business opportunities.** Digital transformation is key to its strategy, and digital solutions are being created to drive efficiencies and deliver improved insights.

The business became South Africa's largest frozen logistics player with its acquisition of ICL in 2019.

DELIVERING ON OUR STRATEGY IN

2022:

- The Vector Logistics and ICL networks have now been consolidated to create a **single, optimised transport and warehousing network**
- Various **warehousing and transport optimisation** initiatives are under way. These include:
  - Efficiency enhancement projects with customers, such as retailer backdoor optimisation
  - Reconfiguring the transport fleet to align with consolidated warehousing.
  - Enhancing warehousing to increase efficiencies and customer responsiveness
- The **Empty Trips digital logistics platform,** was launched externally in March 2022 and is gaining traction

FOCUS AREAS

2023:

- Continue to **deliver efficiency enhancements** within the business and with customers
- Continue with **network optimisation**
- Manage the impact of rising **fuel costs**
- Drive awareness and utilisation of **Empty Trips**

OUR BUSINESS AT A GLANCE
HOW WE OPERATE
OUR STRATEGIC PROGRESS
OUR KEY REPORTS AND REVIEWS
ABRIDGED FINANCIAL STATEMENTS

OUR KEY REPORTS AND REVIEWS

CHAIRMAN'S REPORT

> **RCL FOODS has continued to demonstrate resilience in difficult market conditions by innovating and remaining relevant. Its results for the period are pleasing.**

Jannie Durand
Chairman

The last 12 months have presented South Africans with a complex mix of economic, infrastructural, environmental, political and social challenges. As a leading producer of one of the most basic and essential needs of our people, RCL FOODS has been acutely aware of its responsibility to support financially-constrained consumers in their efforts to put nourishing meals on the table. It has done so creatively and responsibly, and its solid results in an extremely challenging period speak for themselves.

A TOUGH OPERATING ENVIRONMENT

Despite showing some recovery from one of its deepest economic contractions ever, the South African economy continued to lag behind pre-pandemic levels in the 2022 financial year. High unemployment levels; a steep rise in food, fuel and energy prices; interest rate increases and ongoing power cuts continued to create downside momentum to the economy and exert pressure on consumers. On a global level, the Russia/Ukraine conflict has caused untold human suffering and created a significant risk for food shortages in many geographies, most notably in Africa. Russia and Ukraine collectively produce around 30% of the world's wheat and Ukraine is the world's fourth-largest exporter of corn. Ukraine's inability to export and to replant crops for next season is fuelling an already significant rally in soft commodity input costs, driven by global crop failures and supply chain challenges.

These input cost increases have been difficult for food producers to recover through higher pricing as consumers come under pressure from rising living costs and reduced income. Food producer price inflation was 13.0% in June 2022, substantially exceeding Consumer Price Index (CPI) food price inflation of 9.0%.

But the hallmark of a resilient and robust business is its ability to thrive under challenging circumstances.

We are encouraged by the progress RCL FOODS has made to adapt to this environment, launching innovative value products to support consumers and protecting margins to the extent possible.

A VITAL RESPONSE TO CRISES

Looting and riots in KwaZulu-Natal and parts of Gauteng in July 2021 claimed more than 300 lives and approximately R50 billion was wiped off the South African economy. Less than a year later, in April 2022, KwaZulu-Natal and parts of the Eastern Cape were hit with large-scale flooding in which over 450 people lost their lives, thousands were displaced and significant damage was caused to businesses, public infrastructure and homes.

RCL FOODS' DO MORE FOUNDATION mounted a critical response to both of these disasters. The business assisted in providing more than 11 million meals to communities directly affected by the unrest and a further 4,2 million meals to families affected by the floods. As a Board we are immensely proud of the positive contribution the DO MORE FOUNDATION has made in this instance, as well as many others over the past five years.

SOLID FINANCIAL PERFORMANCE

RCL FOODS has achieved a pleasing set of results for the year ended June 2022, again proving its ability to maintain a forward momentum in challenging conditions. Revenue, EBITDA and headline earnings per share improved by 10.2%, 7.7% and 9.9% respectively. Continued innovation and brand investment, as well as excellent operational execution, supported these results. Return on invested capital (ROIC) improved 0.3 percentage points to 8.8%.

STRATEGIC TRANSFORMATION

RCL FOODS is on a journey to create a more resilient business that delivers sustainable value for all stakeholders. A strategic portfolio review in the 2021 financial year confirmed that its portfolio was not optimally configured for this purpose, and a decision was taken to separate the value-added foods component (consisting of Groceries and Baking) from the Rainbow, Sugar and Vector Logistics components, and to position each for more sustainable value

CHAIRMAN'S REPORT CONTINUED

creation: through enhanced scale in the value-added business, and through unlocking value in the Rainbow, Sugar and Vector Logistics businesses as self-sufficient independent entities. Much work has gone into delivering on this strategic intent in the last 12 months, guided by a commitment to execute the process responsibly, without placing undue pressure on the business or its people. To this end the focus has been on readying the Rainbow and Vector Logistics businesses for independent operation, with Sugar's separation being de-prioritised. The Board is pleased to note good progress with this phase of the portfolio transformation process, and the solid results in each component of the business are testimony to the enhanced strategic focus.

More detail is provided in the CEO's report on page 76.

TRANSFORMATION

RCL FOODS is a proudly South African company, and the Executive and Board are fully committed to black economic empowerment. In this context, we are disappointed that the eight-year B-BBEE share option scheme set up in 2014 has not succeeded in delivering any value to participants, especially our employees. The scheme came to an end in May 2022 and is in the process of being unwound. A process has been initiated to devise a replacement scheme, in consultation with employees, that can provide employees with tangible value within a defined timeline. This is expected to be ready by the end of the calendar year.

REGULATORY ENVIRONMENT

The events of the past year, particularly in KwaZulu-Natal, have again emphasised the need for close collaboration between business and Government and have increased the urgency to ensure that the Poultry Sector and Sugar Industry Master Plans succeed. While good progress has been made in terms of investment by the industry participants to increase production, create additional jobs and increase efforts to buy local, other aspects have been slower to materialise. RCL FOODS continues to support and actively participate in engagements between the Department of Trade, Industry and Competition (DTIC) and industry bodies to advance the Master Plans, unlock barriers to trade and address the ongoing challenge of cheap imports. Strong progress is needed on all fronts to return these vital industries to their rightful role of providing food security and large-scale employment.

DIVIDEND DECLARATION

The Board of Directors has declared a final gross cash dividend (number 95) of 30.0 cents per share, which brings the total dividend for the year ended June 2022 to 45.0 cents per share (2021: 45.0 cents).

BOARD MATTERS

Miles Dally retired as Chief Executive Officer, director of the Company and member of the Risk Committee and Social and Ethics Committee on 30 November 2021. Miles spent 18 years with the Group and during that time provided invaluable leadership and a significant contribution to the RCL FOODS of today. We wish him a long and healthy retirement.

Paul Cruickshank was appointed as Chief Executive Officer with effect from 1 December 2021. After 17 years in RCL FOODS, the Group is fortunate to have a new leader at the helm who is steeped in RCL FOODS' ethos and vision, and we look forward to his leadership in navigating the next phase of its strategy. Paul was at the same time also appointed to the Board and as a member of the Risk Committee and the Social and Ethics Committee.

Manana Nhlanhla retired as a non-executive director of the Board, and as a member of the Social and Ethics Committee, on 16 November 2021. John Maher retired as Company Secretary on 28 February 2022 after 17 years of dedicated service. The RCL FOODS Board of Directors thanks John and Manana for their valuable contributions and wishes them well in their retirement. Lauren Kelso was appointed as Company Secretary from 1 March 2022.

To comply with the mandatory audit firm rotation rule issued by the Independent Regulatory Board for Auditors (IRBA), the Board has endorsed the recommendation by its Audit Committee, following a comprehensive tender process, to appoint Ernst & Young Inc. as external auditors of RCL FOODS with effect from the financial year ending June 2024. The appointment of Ernst & Young Inc. was approved by a non-binding shareholder resolution at the 2021 Annual General Meeting; however, shareholders will be requested to vote on their official appointment at the 2023 Annual General Meeting. PricewaterhouseCoopers Inc. will continue to act as external auditors of the Group for the 2023 financial year.

We believe that RCL FOODS' governance and ethical framework reinforces our overall culture and promotes responsible value creation for all stakeholders. For this reason, the Board sets the tone from the top in the way it conducts itself and diligently oversees the structures and the framework. The Board fully supports the new strategic direction and is closely involved in advancing the various initiatives to deliver the vision.

For further information on the Board, please read the Corporate Governance section from page 60 to 61 of this report, and the Corporate Governance Report available on our website at www.rclfoods.com/financial-results-and-reports-2022

PROSPECTS

Although the downside risks to South Africa's economic growth will persist in an uncertain global environment, RCL FOODS' resilient portfolio and focused strategic execution have enabled it to deliver robust results in the past financial year and should continue to support operating performance in the coming year. We expect high commodity input costs to continue exerting pressure on margins and further price increases may well affect volumes. In this respect, the business will continue to leverage its tiered portfolio and drive value innovation to support consumers in their search for affordable quality options. The Board and Executive are committed to RCL FOODS' strategic transformation journey and will continue to move forward with this in the coming year. We believe the business is well placed to successfully navigate the macro environment, with a robust capital structure and healthy cash generation from a diverse portfolio of leading and well-loved brands.

ACKNOWLEDGEMENTS

My thanks to all RCL FOODS' employees for the tremendous energy, dedication and creativity that they apply daily to meet the needs of consumers and grow the business. This, even in the toughest of conditions where many were personally affected by the COVID-19 pandemic, the riots and the floods. My congratulations go to all the appointments within the changed management structures this year, and I salute these new management teams for steering the Group so successfully in 2022.

Sincere appreciation is also extended to our Board members for their valued guidance and support, without which it would not have been possible to generate the momentum achieved in our strategic transformation.

To our shareholders and customers, a special word of gratitude for your ongoing support and interest in our Group. I am encouraged by RCL FOODS' solid performance over the past year and look forward to what lies ahead.

JJ Durand
Non-executive Chairman

CEO'S REPORT

RCL FOODS entered the 2022 financial year with two key imperatives in mind: to decisively implement the first steps in our strategic transformation into a value-added business of scale, and to deliver positive results by focusing on what is within our control in a tough environment. We are proud of our resilient performance amidst intensifying cost and market pressure, and of the progress we have made in our longer-term strategic journey.

Paul Cruickshank
Chief Executive Officer

REVENUE
R34,9 billion
↑ 10.2%

EBITDA
R2 595,7 million
↑ 7.7%

With South Africans battling rising living costs and reduced disposable income, our challenge as a food producer has been to keep meeting consumers' needs while growing our business in a responsible way. Maintaining relatively steady volumes and carefully managing price increases resulted in our revenue increasing by 10.2% to R34,9 billion (2021: R31,7 billion), bearing in mind that the prior year also included an additional trading week. Our EBITDA increased by 7.7% to R2 595,7 million (2021: R2 409,1 million), driven by Sugar's second-highest profit achievement ever, and a continued solid Grocery performance with several brands growing their market share, particularly in the Pet Food category. Rainbow has done well to return to profitability as it works to implement its turnaround plan, and Vector Logistics recorded a much improved result driven by higher revenue and efficiencies.

The external challenges we have faced this last year – from continued commodity input cost increases to fuel price hikes and reduced consumer spending in the aftermath of COVID-19 lockdowns, civil unrest and flooding – have been felt across the food industry. I am proud of the way in which our business has acted on its values of See and Do Things Differently, Respect for People, Uncompromising Integrity and Act Responsibly, to strengthen the resilience of our food categories, our customer relationships, and the support we provide our employees and communities.

Where margin pressures have intensified due to input cost increases, we have sought to act responsibly by working with our customer partners to manage the inflationary impact for consumers as far as possible. Alongside this, we have accelerated innovation in our value tier to provide cash-strapped consumers with affordable options in key categories. Through our DO MORE FOUNDATION we significantly increased both the amount and quality of support we provided to vulnerable communities, facilitating the provision of a landmark 18 million meals in 2022 and reformulating the Foundation's DO MORE Porridge to optimise the daily nutrition received by young children at early childhood development centres.

Against this backdrop, our strategic transformation journey is gathering momentum, and I will provide a brief update on our progress below.

GROUP STRATEGIC TRANSFORMATION PROGRESS

Following our strategic portfolio review in the 2021 financial year, we announced that we would be separating our value-added branded business from our poultry, sugar and logistics businesses to position them as independent entities for more focused growth and investment. In parallel, we stated our strategic intent to scale our value-added component through sharper strategic focus and active investment.

During the year much work has taken place to establish the former Chicken Division (together with grain-based Animal Feed) as a stand-alone business, "Rainbow". This included creating a separate legal entity for Rainbow, which was finalised in October 2021;

CEO'S REPORT CONTINUED

progressively exiting the RCL FOODS shared services platform as dedicated Rainbow functional teams are established; and devising an execution plan for the final separation phase when the business is ready. This means that Rainbow is now operating as a largely autonomous subsidiary of RCL FOODS, led by an independent management team driving its own focused recovery and growth strategy.

In parallel, we initiated a market-sounding process in respect of Vector Logistics, to test if there was credible interest from prospective acquirors that could further accelerate its growth as an independent temperature-controlled logistics player, for the benefit of all stakeholders including customers and staff. This process elicited notable interest, and subsequent to year-end we have advanced discussions with a prospective acquiror that we believe would be a responsible custodian of this market-leading business. While there can be no certainty that a transaction will be concluded, we expect it to be finalised in the 2023 financial year and will update the market accordingly.

Sugar remains part of RCL FOODS, with its separation plan being de-prioritised. Our priority is to ensure a responsible transition for each of these businesses that compromises neither shareholder value nor our people's welfare.

The same well-considered approach underpins the scaling of our value-added business via organic and inorganic expansion. We laid the foundations for this by consolidating the former Group and Food Division executive teams into a single, flatter executive structure and reconfiguring our operating model around our value-added focus. The remit of this new team spans the Groceries, Baking and Sugar business units, our LIVEKINDLY Collective Africa (LKCA) associate and Siqalo Foods Proprietary Limited (which is managed on behalf of Remgro Limited). All these businesses continue to be supported by our central functions and our business services organisation. The latter remains one of our differentiated strategic capabilities and presents scope for both bolt-on acquisitions and contract management.

To achieve the requisite focus and growth, we revised our strategy with the vision of creating "a business of the right scale which has been built to last, with a diverse and high-performance culture that delivers category growth ahead of the market and enhanced stakeholder value". The three pillars of this strategy were introduced midway through the year and form the basis of the strategic review below. Specific strategic thrusts have been developed to support them and are being integrated into functional and operational strategies for the 2023 financial year.

STRATEGIC REVIEW

RCL FOODS Value-Added Business

The first pillar of our strategy – Diverse, High-performance Culture – focuses on creating a diverse business environment that feels like home for all and leverages our strategic capability advantage. We have intensified our commitment to our Diversity and Inclusivity (D&I) journey during the year with the appointment of a dedicated director to lead this portfolio and a refresh of our D&I strategy. Our D&I Conversation Circles are gaining traction with our employees and we are making headway in increasing race and gender diversity at management level. Having identified our key strategic capabilities to grow our competitive advantage, we have invested in key areas such as Research and Development (R&D) and Consumer Insights in support of our second pillar, Business of Right Scale.

The focus of this pillar is on leveraging our dynamic platform to create a business of the right scale that owns a greater share of the customer store environment and delivers an EBITDA margin percentage ahead of our peers. To create and drive our growth strategy, we appointed our first Chief Growth Officer who now leads a multi-disciplinary team comprising the heads of Marketing, Customer, Customer Marketing and R&D. It will focus on building stronger brands and key customer partnerships, faster and better innovation, scaling up and entering new and emerging channels, and providing fuel for growth via various management initiatives. The business is already benefiting from more integrated conversations and a more focused value-added growth mindset. We know which categories we want to grow and where we can stretch and tier our existing brands, and in 2022 we launched several value-added innovations to build both our premium and value tiers.

Baking has been a key investment focus during the year to build economies of scale, expand our geographical footprint and increase the forward integration of Supreme Flour in our own production. We rolled out a number of new Sunbake depots in preparation for the commissioning of our new Polokwane bread plant in July 2022, and this enhanced capacity will support volume and revenue growth in the northern region. An important step in scaling the value-added component of our portfolio is our recently announced acquisition of the Sunshine Bakery business in KwaZulu-Natal. Sunshine serves a diversified customer base in the formal retail and general trade channels through its two regional bakeries in Durban and Pietermaritzburg, as well as several depots across the province. Besides providing additional scale in our value-added business, the acquisition will enable us to expand the capability of our established Baking business unit into new geographies.

Our plant-based associate, LKCA, is in a development phase focussing on educating consumers, attracting new users and building the category. During the year we launched another two global brands – Oumph! and LikeMeat – in the local market. Although global and local demand have softened since the unprecedented highs of the COVID-19 lockdown period, the plant-based foods category remains on a long-term upward trajectory and we remain fully committed to it.

Our third strategic pillar, Built to Last, focuses on ensuring efficient operations and responsible asset investment, while aspiring to build a "net positive" business that gives back more than it takes. A Best In Class initiative is being driven by the business units with the aim of generating significant savings to enable accelerated growth.

To ensure continued cane supply to our sugar mills, we finalised a cane supply agreement in Pongola and secured funding to reinstate irrigation infrastructure to small-scale farmers in Nkomazi. Our three community-based cane grower joint ventures remain key partners to achieving sustainable cane supply whilst also achieving social upliftment. Our joint venture, Akwandze Agricultural Finance Proprietary Limited, has provided over R24 million in loans to small-scale growers in the 2022 financial year.

The need to embed sustainable business practices in the way we operate has been brought into sharp focus in recent years as we collectively deal with the social and economic fallout of the COVID-19 pandemic, the effects of governance failures at both state and corporate level, increased droughts and flooding, and growing natural resource scarcity.

Environmental, Social and Governance (ESG) sustainability therefore forms a key focus of our strategy. In the latter part of the year we committed senior resources to lead two related key projects: the identification and crafting of our core purpose and, in parallel, a new sustainability strategy that addresses our key material impacts. I look forward to their finalisation and to actively embedding purpose and sustainability at the heart of what we do.

While looking towards next steps, we have continued to make an impact in our current ESG focus areas through our Sustainable Business Drive. Our single greatest resource is people – our employees and the communities they come from – and we have made it a priority to support them to recover from the compounding effect of the pandemic, the unrest and the recent flooding. As a business we also took an active role in advocating for and supporting social stability following the July unrest, and our DO MORE FOUNDATION has played a key role in crisis food provision and ongoing nutritional support to vulnerable young children.

Increased loadshedding during the year has underscored the need for us to become more energy self-sufficient through renewable energy generation and to save energy where we can. By generating power from bagasse, a by-product of sugar processing, we provided 86% of our own sugar energy requirements at our sugar mills and also exported 8 GWh into the Eskom grid. Careful water management also remains a priority, particularly in Sugar agriculture, as does the reduction, recycling and beneficiation of all forms of waste.

More information on our ESG sustainability initiatives can be found in our Sustainable Business Report available on our website at www.rclfoods.com/financial-results-and-reports-2022.

Rainbow

Rainbow is working to improve its operating profit margin to a sustainable level and become an integrated chicken company of choice for South African customers and consumers. It has made good progress in implementing its turnaround strategy, with the initial priorities being to establish a focused and motivated team, halt loss-making trends and lay foundations for growth.

The new decentralised operating model has been implemented, with each region now responsible for its own profitability. Key resources have been appointed to manage the regions and functions, and focused teams are being developed that are appropriately empowered and accountable for results. Interventions to drive cost savings and improve focus across the supply chain are bearing fruit despite challenges posed by commodity input cost increases, Avian Influenza (AI), and unrest and flooding impacts during the year. Realigned focus in poultry farming has yielded significantly improved agricultural results with the current breed, and the full benefit arising from the introduction of the new breed is expected to flow through in the next 12 months.

While much work remains to be done, Rainbow has steadied itself and is starting to consolidate in preparation for growth. A very positive step forward is its recent decision to reinvest in Hammarsdale to meet growing regional demand for fresh and value-added chicken. The business has committed R220 million towards upgrading and installing new technology at the Hammarsdale P2 processing plant and hatchery. Additional broiler volumes will largely be procured from emerging black contract growers and this, together with the reopening of the second shift at the processing plant, will generate much-needed jobs and other economic opportunities for the surrounding communities.

CEO'S REPORT CONTINUED

Vector Logistics

Vector Logistics is making solid progress with its strategy to deliver acceptable returns and ensure a sustainable business into the future. A key focus during the last year has been the completion of capacity builds to finalise the consolidation of the Vector Logistics and Imperial Cold Logistics (ICL) networks. The ICL business was acquired from Imperial Logistics South Africa Proprietary Limited in 2019. With building expansions now complete in Durban, Gqeberha, Polokwane and Bloemfontein, Vector Logistics has now delivered on its strategy to create a single, optimised, customer-focused network.

In tandem, the company has continued to optimise its warehouse and transport networks through various initiatives. These include driving collaborative efficiency enhancement projects with customers, reconfiguring the transport fleet and consolidating part of its Midrand site into the large Linbro site (ex-ICL), which has been significantly enhanced to drive efficiencies and deliver on key customer requirements.

Transformational opportunities remain a key focus for future growth. The Empty Trips digital logistics platform, in which the business invested in 2020, was launched in the external market in March 2022 and is gaining traction as awareness grows amongst carriers and shippers. The platform will bring greater innovation, transparency and sustainability to the logistics sector by making shipping more cost-effective, increasing the availability of reliable haulier options, providing better supply chain visibility and saving unnecessary carbon emissions.

REVIEW OF OPERATIONS

RCL FOODS Value-Added Business (Groceries, Baking, Sugar)

	June 2022	June 2021	% change
Revenue (Rm)*	**21 221,7**	19 768,6	7.4
EBITDA (Rm)	**1 855,0**	1 978,8	(6.3)
EBITDA margin (%)	**8.7**	10.0	(1.3)ppts
Underlying EBITDA (Rm)	**1 835,8**	1 999,8	(8.2)
Underlying EBITDA margin (%)	**8.7**	10.1	(1.4)ppts

* *Excludes the elimination of sales between segments.*

EBITDA declined at both statutory and underlying level from the prior year, with the business having encountered a number of challenges in the 2022 financial year, exacerbated by exceptionally difficult market conditions. The inclusion of an additional trading week in the prior year also contributed to the decline.

Despite this, our value-added business had a resilient performance, driven by another excellent Sugar result and consistent delivery in the Grocery operating unit, particularly the Pet Food category. Revenue growth was underpinned by steady volumes and responsible price increases that largely recovered higher input costs.

GROCERIES (GROCERY, PIES, BEVERAGES)

	June 2022	June 2021	% change
Revenue (Rm)	**6 005,9**	5 522,0	8.8
EBITDA (Rm)	**550,1**	557,8	(1.4)
EBITDA margin (%)	**9.2**	10.1	(0.9)ppts
Underlying EBITDA (Rm)	**551,7**	562,4	(1.9)
Underlying EBITDA margin (%)	**9.2**	10.2	(1.0)ppts

The Groceries business unit's underlying EBITDA declined 1.9% to R551,7 million (2021: R562,4 million), with a strong Grocery result being offset by service level challenges and margin pressure in Pies and Beverages.

The business unit anticipated the growing pressure on consumers by accelerating growth of the value tier. The business is also pivoting to a "pilot" approach which will bring more new products to the market faster and enable us to test the response before committing to a full-scale launch.

The **Grocery** operating unit maintained strong volumes despite the implementation of price increases to offset higher commodity input costs. The new value products in Nola Mayonnaise and Yum Yum Peanut Butter have exceeded growth expectations and helped to increase our market share, with minimal cannibalisation of our premium offerings in these categories. The full-scale launches of Yum Yum Caramel Dreams Peanut Butter, Ouma Yum Yum Rusks and Ouma Choc Chip Rusks were also welcomed by consumers. Our Pet Food brands outperformed the market, which has continued to feel the pressure of reduced consumer spending. We celebrated all-time-high market shares in Feline Cuisine, Canine Cuisine and Bobtail in the mainstream retail channel, where our newly-launched weight management offerings in Canine Cuisine and Feline Cuisine have been well received. Ultra Pet (Ultra Dog and Ultra Cat) delivered double-digit growth in the vet channel and Optimizor continued its strong performance in the co-op/pet shop channel.

Our tiered portfolio, which provides both premium and value brands in the same category, has proven essential in maintaining sales volumes as more consumers trade down.

Pies, the category most affected by the COVID-19 lockdowns in the prior period, delivered good volume growth driven by innovation and strong activation plans. Pieman's maintained its market-leading position and provided consumers with more choice by introducing a range of Pieman's pies for the retail freezer cabinet, which has significantly exceeded expectations. The Pieman's Big Deal Pie in the forecourt channel also continues to be highly successful. Despite the upward volume trend, margins remain under significant pressure due to raw material price increases and operational challenges.

Beverages, which was also impacted by reduced consumption during the lockdown, is recovering slowly. A new Number 1 Mageu variant that is high in vitamin C was launched in February 2022 to cater for health-conscious consumers, and has already exceeded its business case. The consolidation of the ultra-high temperature (UHT) plant into the fresh plant during the last financial year is delivering fixed cost savings, while technological innovation to extend product shelf-life is driving savings in returns. The benefit of the reduced cost platform is, however, being offset by softer volumes.

BAKING (BREAD, BUNS & ROLLS, MILLING, SPECIALITY)

	June 2022	June 2021	% change
Revenue (Rm)	**6 214,5**	5 849,0	6.2
EBITDA (Rm)	**487,9**	520,6	(6.3)
EBITDA margin (%)	**7.9**	8.9	(1.0)ppts
Underlying EBITDA (Rm)	**494,5**	529,9	(6.7)
Underlying EBITDA margin (%)	**8.0**	9.1	(1.1)ppts

The Baking business unit delivered strong revenue growth; however, margins came under pressure in the second half of the year, driven by elevated wheat and fuel costs.

In the **Bread, Buns & Rolls** operating unit, Sunbake outperformed major competitors. The Group is positioning itself for longer-term growth in Bread, Buns & Rolls and has just commissioned its newly-expanded bread line in Polokwane to increase capacity.

Milling delivered an improved operating performance. However, this was offset by lower volumes and challenges in recovering the oncost associated with high wheat and maize prices, as well as an unprofitable pre-mix business.

Speciality has achieved an improved product mix in the current year, coupled with improved margins and plant efficiencies. The recent consolidation of its two inland region cake facilities into one dedicated plant in Centurion will drive further efficiencies going forward.

SUGAR (SUGAR AND MOLASSES-BASED ANIMAL FEED)

	June 2022	June 2021	% change
Revenue (Rm)	**9 001,3**	8 397,7	7.2
EBITDA (Rm)	**817,0**	900,4	(9.3)
EBITDA margin (%)	**9.1**	10.7	(1.6)ppts
Underlying EBITDA (Rm)	**789,6**	907,5	(13.0)
Underlying EBITDA margin (%)	**8.8**	10.8	(2.0)ppts

Sunbake increased its market share by 49% during the year.

CEO'S REPORT CONTINUED

Sugar produced another excellent profit performance, second only to the prior year's record result, despite agricultural challenges early in the financial year. Importantly the operations crushed their full 2022 season cane crop, with improved mill recoveries and efficiencies. Local demand remained stable, with the sugar industry limiting price inflation to Consumer Price Index (CPI) levels in line with the Sugar Industry Master Plan. The heavy rainfall and flooding in parts of KwaZulu-Natal resulted in an uptake in the industrial channel for our sugar business as competitors struggled with crystal availability and experienced operational issues.

An aphid infestation and heatwaves affected crop yields in the Nkomazi region, resulting in lower production which mainly impacted export sales. Whilst the fire at the Komatipoort site in October 2021 caused significant damage to the raw sugar warehouse, supply chain disruption was minimised. Insurance proceeds will fully cover the rebuild costs in the 2023 financial year.

A strong Sugar performance supported by continued local demand.

Molatek animal feed delivered a pleasing revenue performance, with the business successfully pivoting towards selling higher-value bagged products in an environment of declining raw material availability and increasing raw material costs. Careful management of price increases and improved efficiency in all areas have helped offset the impact of lower volumes.

RAINBOW (RAINBOW AND GRAIN-BASED ANIMAL FEED)

	June 2022	June 2021*	% change
Revenue (Rm)	**11 384,8**	10 335,9	10.1
EBITDA (Rm)	**347,1**	17,5	NM
EBITDA margin (%)	**3.0**	0.2	2.8ppts
Underlying EBITDA (Rm)	**348,6**	111,1	214.0
Underlying EBITDA margin (%)	**3.1**	1.1	2.0ppts

** The results for Rainbow in the comparative period have been restated to include the Group's Waste-to-Value operations, which now form part of the Rainbow business for segmental reporting purposes. The Waste-to-Value results were previously included as part of the Group segment.*

Good progress has been made in Rainbow's turnaround strategy, as evidenced by its improved performance, albeit with some distance to go. Underlying EBITDA improved 214.0% to R348,6 million (2021: R111,1 million), driven by improvements in pricing, agricultural results and procurement gains which partially countered higher commodity input costs.

Simply Chicken remains South Africa's number one vienna brand.

While sales volumes were slightly hampered by AI constraints, this was offset by buoyant Quick Service Restaurant (QSR) sales and favourable pricing in the Retail/Wholesale category. The business has achieved a well-balanced and differentiated customer and product mix and has begun with capital investments to ready its Hammarsdale operations to deliver a broader product set. Simply Chicken Viennas continue to outperform the market with double-digit growth. New innovations launched in the 2022 period were Simply Chicken Hot and Spicy Nuggets and Burgers, and the Simply Chicken Chickees range.

Poultry imports had declined due to a combination of import tariffs and anti-dumping duties, improved international demand and steep freight charges to South Africa. However, they remain a significant ongoing challenge.

The decision by the Department of Trade, Industry and Competition to suspend the implementation of definitive anti-dumping duties against Brazil, Denmark, Ireland, Poland and Spain for a period of 12 months is disappointing. The decision will not assist the country's efforts towards localisation, job creation, transformation plans, investment or developing the rural economy. The Minister attributes the suspension of the implementation of the anti-dumping duties to rising food costs, and the potential impact on poultry prices. However, the impact that the delay will have on poultry remains questionable as importers merely use the opportunity to profit on dumped imports. No evidence exists that dumped chicken is sold by the importers at a low price to the consumer.

While the AI outbreak earlier in the year had a material impact of R86 million on the business, Rainbow was able to navigate it successfully and honour its commitments to contractual customers. The Rainbow business remains alert for further outbreaks which are currently prevalent in Europe and the United States of America, and contingency plans are in place.

In the **Animal Feed** business, external Epol and Driehoek volumes were subdued in an over-capacitated local industry. High commodity prices also created significant margin pressure.

VECTOR LOGISTICS

	June 2022	June 2021	% change
Revenue (Rm)	**3 691,9**	3 153,6	17.1
EBITDA (Rm)	**334,7**	282,9	18.3
EBITDA margin (%)	**9.1**	9.0	0.1ppts
Underlying EBITDA (Rm)	**337,0**	289,6	16.4
Underlying EBITDA margin (%)	**9.1**	9.2	(0.1)ppts

Vector Logistics has continued its turnaround with a pleasing improvement in revenue and EBITDA performance in the current financial year, driven by the completion of the ICL network integration and a recovery in the food service industry, with volumes returning to almost pre-COVID-19 levels. This was in spite of significant external pressures during the year which impacted both revenue and costs, notably the civil unrest in the first quarter which led to store closures and the looting of its Cornubia depot in KwaZulu-Natal; the flooding in KwaZulu-Natal in the fourth quarter; foreign exchange impacts in Zambia; and higher fuel costs.

L&A Logistics Limited (L&A) in Zambia was consolidated as a subsidiary at 100% for a full 12 months in the current financial year, compared to four months in the prior year. L&A has contributed to Vector Logistics' overall growth in revenue and EBITDA in spite of the exchange rate volatility and a lower than expected sales performance.

PROSPECTS

In March the National Treasury projected real economic growth of 2.1% in 2022 as the economy returns to pre-pandemic levels, with growth averaging at 1.8% over the next three years. Given that the economy was in recession before the pandemic, and considering the impact of current global events on commodity costs and exchange rates, South African businesses and consumers will continue to face difficult conditions for the foreseeable future. In our business, continued increases in agricultural commodity input costs will exert further pricing pressure, which could affect volumes. Leveraging our tiered portfolio and driving value innovation in Groceries will be key in supporting consumers with affordable quality nutrition. In the Groceries business unit, key priorities will be to deliver on our strong innovation pipeline, support value innovations, and manage margins successfully. Pies volumes are expected to be robust going forward and operating efficiencies will remain an area of focus.

In the Baking business unit, our key focus will be on building volumes through our new Polokwane plant in the northern region and extending our footprint into KwaZulu-Natal through the Sunshine Bakery business. The launch of a new Enterprise Resource Planning (ERP) solution in Baking will further aid efficiencies and focus.

Sugar's outlook is positive, with agricultural performance improving and local demand remaining robust, supported by the Sugar Industry Master Plan.

In Rainbow, the implementation of the turnaround plan will continue and further progress is expected on the current year's performance. The high level of commodity prices and the delay in implementation of definitive anti-dumping duties against Brazil, Denmark, Ireland, Poland and Spain remain challenges for the 2023 financial year.

While higher fuel costs remain a significant risk for Vector Logistics, its outlook for the next year is positive. The integrated network will further facilitate transport and warehousing efficiencies, and the business will leverage Empty Trips' potential to create a more innovative, sustainable logistics industry.

We remain committed to our strategic transformation journey and will continue with the managed separation of Rainbow and Vector Logistics from RCL FOODS in a responsible way, while driving growth in our value-added component.

We are clear about the sustainable, value-adding business we want to create and the pillars that this will be built on. Going into the 2023 financial year, we will continue building a diverse, inclusive and performance-orientated culture, investing in our strategic capabilities, pursuing organic and inorganic opportunities to grow our scale, and laying the foundations for our future sustainability from both a financial and ESG perspective. Our resilience through the turbulent conditions of the last 12 months is testimony to the power of our people, our portfolio and our strategy to keep moving forward and making a difference. Well done and thank you to all our stakeholders for your support.

PD Cruickshank
Chief Executive Officer

CFO'S REPORT

"RCL FOODS has delivered a pleasing performance for the 2022 financial year. EBITDA improved by 7.7% to R2 595,7 million, largely due to gains in Rainbow and Vector Logistics. Sugar recorded its second highest profit ever, while Groceries and Baking delivered a resilient performance under the current economic climate and difficult market conditions. We will continue to strive toward building a resilient business that generates sustainable value."

Rob Field
Chief Financial Officer

EBITDA
R2 595,7 million
↑ 7.7%

HEPS
118.6 cents
↑ 9.9%

CASH GENERATED FROM OPERATIONS
R3 427,9 million

OVERVIEW OF MARKET CONDITIONS

The past 12 months have been characterised by uncertainty and disruption across the globe as new COVID-19 variants emerged and nations moved in and out of some degree of lockdown. Vaccine rollout programmes and improved vaccine access brought a degree of resilience to the global economy as some sense of normality in many nations returned. Global economic activity grew, trade picked up and agricultural commodity prices began to stabilise, though at historically high prices. As nations pushed to get their economies back on track inflation became a parallel enemy to global economic growth. Supply chain backlogs and staffing issues in many developed nations also contributed to high levels of inflation. While the United States of America (USA) Federal Reserve initially expressed their comfort with the USA inflationary environment and as a priority had been focused on the USA unemployment situation. Inflation prints of over 8% resulted in the USA Federal Reserve taking drastic measures to contain inflation by hiking interest rates up to 75 basis points at a time. Other developed nations saw similarly high inflation levels and followed suit with aggressive interest rate hikes. Inflationary pressures were exacerbated with the onset of Russia's invasion of Ukraine with energy prices and foods prices spiking in response.

A series of rate hikes by the South African Reserve Bank, of up to 50 basis points, sought to contain inflation as prints came in above the bank's 6% top-end target level. The unemployment rate for the first quarter of 2022 was 34.5%, down 0.8% from the high of 35.3% seen in the last quarter of 2021. Real gross domestic product (GDP) grew by 1.2% in the fourth quarter of 2021, taking the annual growth rate for 2021 to 4.9%. Real GDP remains below pre-pandemic levels, and economic activity into the end of 2021 was in line with the third quarter of 2017. It hasn't all been "doom and gloom" – South Africa has recorded crucial trade surplus numbers over the period in review, initially on healthy export demand for mining raw materials as economies restarted and recently on the back of strong coal exports as the energy crisis (particularly in Europe) takes hold and some nations look to fire up mothballed coal-powered energy stations.

Emerging market currencies have remained volatile during the period under review. The USD/ZAR traded at a high of R16.86 and a low of R14.06, a range of R2.80. Lows in the R14.40's earlier in the year were on the back of healthy South African export demand. However, the pair trended to levels above R15.00 at the outbreak of war in the Ukraine, the USA Federal Reserve commencing with a rate hiking cycle has also played a role in pressuring the Rand versus the Dollar. Eskom's woes have also played a role in exchange rate volatility.

SOFT COMMODITY PROCUREMENT

Sunflower seed

The 2021/22 season produced 678 000 tons of sunflower seed off 478 000 hectares which, together with an opening stock of 61 000 tons, resulted in a domestic supply of 739 000 tons, down 18% on the 2020/21 season because of a lower area planted and lower yields. Increased reliance was placed on the importation of both sunflower oil and oilcake towards the back end of the season due to this reduced supply. Following the reduction in supply in 2021/22, the 2022/23 season opened with 32 000 tons of stock and the area planted increased significantly to 671 000 hectares. 961 000 tons was expected to be produced resulting in an expected 34% increase in supply compared to the 2021/22 season.

Russia and Ukraine are major exporters of sunflower oil and account for more than 70% of global sunflower oil exports. Prior to the Russia/Ukraine conflict, international sunflower prices traded at sustained high levels within a US$1 300 to US$1 500 per ton range supported by lower supply due to: drought affected crops in Russia and Ukraine in the previous season; export taxes imposed in Russia; and increased demand for vegetable oils as countries began their post-pandemic recoveries. Prices increased more than US$2 000 per ton after the conflict broke out and have remained elevated, above US$1 500 per ton. The rise in the price of imported sunflower oil (South Africa is a net importer) supported local crush volumes and as a result local sunflower seed prices, with the local seed price rising from around R8 500 per ton in July 2021 to peak at over R12 000 per ton in early March 2022, before settling in a R10 000 to R11 000

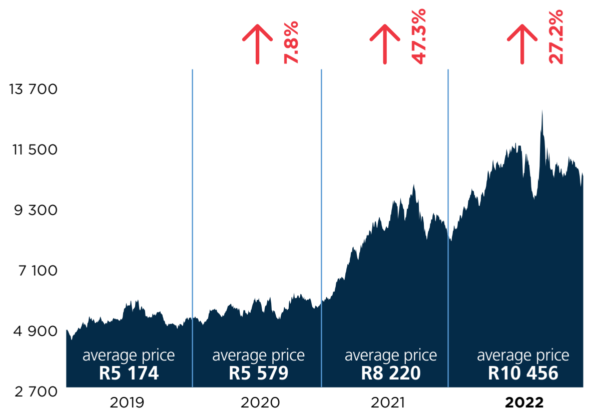
CFO'S REPORT CONTINUED

range in the last quarter of the period under review, still at a discount to imported sunflower oil. Despite expectations of substantial improvements in local and global supply, concerns on the back of the European conflict are expected to keep prices elevated, although the decline in import requirements and import parity prices are likely to cap prices.

The average SAFEX sunflower seed price for this reporting period was R10 456 per ton compared to the previous period of R8 220 per ton, an increase of R2 236 per ton (27.2%).

* *Season opening stocks to use ratio represents the closing stocks for that commodity divided by its annual consumption.*

SUNSEED (R/ton)



Source: Reuters

Wheat

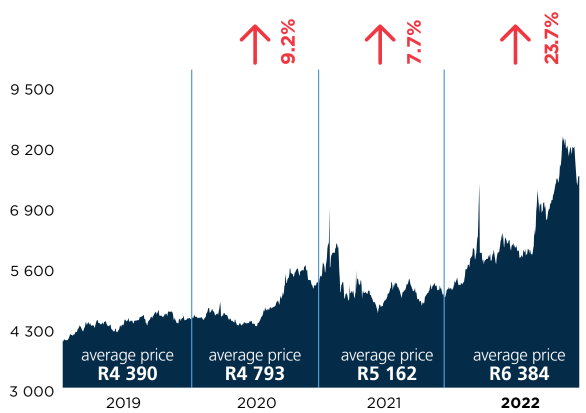
Local SAFEX wheat prices rallied relentlessly during the past year, starting the period under review trading at R5 140 on 5 July 2021 and peaking at over R8 400 per ton in the middle of May 2022. Expectations of lower global stocks primarily due to drought conditions in the USA Midwest and USA spring wheat areas, as well as in Canada, drove prices higher between July and December 2021, peaking at over R7 400 per ton. In the second half of our financial year, the Russia/Ukraine conflict pushed prices further upward due to concerns of lower shipments of wheat out of the Black Sea region (Russia and Ukraine account for 30% of global wheat exports). A zero-wheat import tariff was in force for the duration of our financial year. These regulated import tariffs are derived from US Hard Red Winter wheat prices in the US Gulf and are applied on all imports.

South Africa remains a net importer of wheat, with local prices mostly import parity-based. Of the total local wheat usage an estimated 39% or 1,35 million tons of imports are required this season to meet demand. The local crop of 2,30 million tons this past year was 7.8% larger than the previous year's crop of 2,12 million tons. While the production tonnage increased, the quality of the local wheat declined due to excessive rain during harvest, necessitating greater volumes of higher protein wheat to be imported to meet internal grist requirements.

High wheat prices will continue to be supported by global supply concerns due to the uncertainty of whether Russian and Ukrainian wheat will be exported and at what volume. Price pressures could be exacerbated by expectations of a 4% decline in global stocks for the upcoming year and drought in the USA and France (a key European Union producer) in crop growing areas.

The average SAFEX wheat price for this reporting period was R6 384 per ton compared to the previous period of R5 162 per ton, an increase of R1 222 per ton (23.7%).

SAFEX WHEAT (R/ton)



Source: Reuters

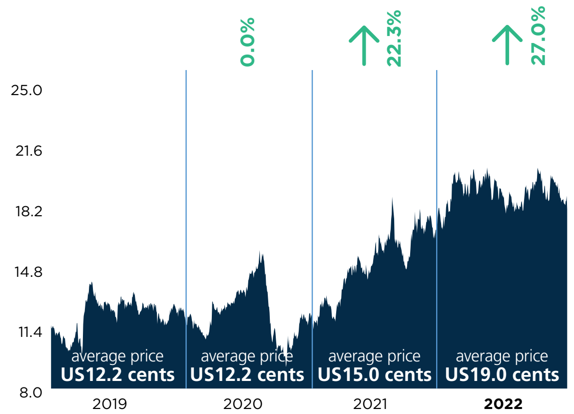
Peanuts

The local 2021/22 season produced 64 300 tons on 38 550 hectares, with an increase in area planted in the 2022/23 season to 43 400 hectares. Despite the increase in area planted, tons produced for the 2022/23 season is expected to decline to 49 000 due to lower expected yields. South Africa remains a net importer of peanuts, importing 32% of its demand requirement in the 2021/22 season, and with the expected decline in local production for the 2022/23 season imports will again be required to satisfy local demand. The historic trend in area planted continues to decline and is well below the 60 000 hectares required to balance local supply and demand. The need for imports continues to keep local prices supported toward import parity and places local processors (peanut butter and roasters) at a disadvantage to imported finished goods, as imported raw peanuts attract a 10% duty whilst finished goods attract a 1% or less *ad valorem* duty. The industry, under the guidance of the Groundnut Forum and with support from the Bureau for Food and Agricultural Policy (BFAP), have applied to the International Trade Administration Commission (ITAC) for the imposition of higher duties on imported peanut butter and roasted peanuts with the submission currently (since June 2021) being reviewed by the Department of Trade, Industry and Competition (DTIC). A levelling of the playing field will go a long way to turning the declining local industry around and creating opportunity for growth and further investment throughout the peanut value chain.

Raw sugar (No. 11 ICE)

Prices opened the year at levels of 18.15 US cents per pound and ended the year at levels of 18.07 US cents per pound. The market remained bullish during the period due to restricted supply from the world's largest sugar producers CS (Centre South) Brazil as adverse weather conditions hampered cane development. With production plummeting to below 33 million tons, speculator activity drove prices to their highest levels in three years. Despite the removal of export subsidies, Indian producers took advantage of the high world price and supply gap and exported 8 million tons. Restricted sugar trade flows coupled with the lack of Indian export subsidies ensured that prices remained well supported for the remainder of the period. The average No. 11 sugar price for this reporting period was 19.0 US cents per pound compared to the previous period of 15.0 US cents per pound, an increase of 4.0 US cents per pound (27.0%).

SUGAR NO. 11 (US cents/pound)



Source: Reuters

Maize (Corn)

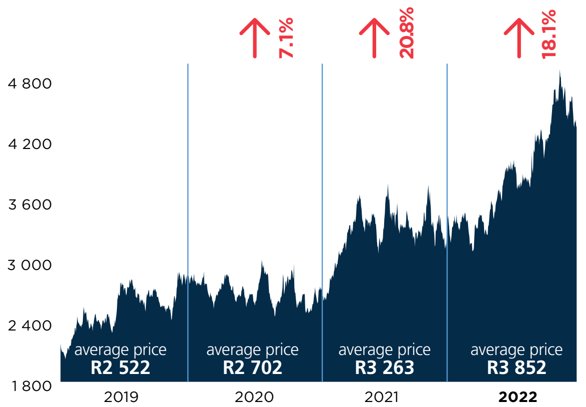
Corn prices on the Chicago Board of Trade (CBOT) started off low during July 2021 (US$5.50 per bushel or US$216 per ton). From September 2021 there was a steady increase in the corn price on the back of a partial crop failure in South America where Brazil experienced a severe drought in certain production areas. With the Russian invasion of the Ukraine in late February 2022, the corn price rallied from US$6.54 per bushel (US$257 per ton) to US$7.40 per bushel (US$291 per ton). Concerns of delayed planting in the USA during April saw corn prices rally further towards US$8.18 per bushel (US$322 per ton). The weather subsequently turned more favourable and the corn market declined to US$7.60 per bushel (US$299 per ton) at the end of June 2022 but was still significantly higher (by US$83 per ton) than at the start of the period under review.

During July 2021 local yellow maize traded around R3 300 per ton. By December the price increased to R3 900 on the back of stronger international prices fuelled by the rally in the USA. With the invasion of

CFO'S REPORT CONTINUED

Ukraine at the end of February 2022 local prices extended the rally on the back of higher international prices and a weaker Rand. The local price peaked at R4 900 in May, again on the back of stronger international prices fuelled by weather concerns in the USA. Better weather in the USA and lower global commodity prices then lead to a softening of the price towards R4 300, but still much higher than R3 360 seen during July 2021.

YELLOW MAIZE (R/ton)



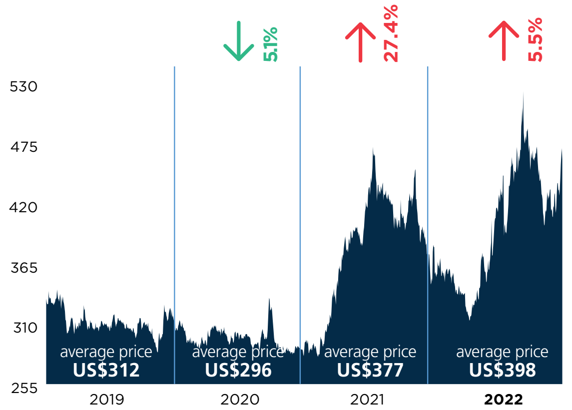
Source: Reuters

Soybean meal

CBOT Soymeal opened the second half of 2021 at US$386 after reaching a high of US$474 in January 2021. Late precipitation in August resulted in a better-than-expected USA crop with soymeal dropping to a low of US$309.

South America did not deliver a record crop as expected due to drought conditions with actual production lower by approximately 20 million metric tons of global soybean supply cut. The result was soybean meal rallied to a high of US$525 in March 2022. The average price for the period under review was US$398 compared to the previous period of US$377. The 2022 local soybean production increased 8.3% to 2,09 million metric tons compared to the 2021 crop of 1,9 million metric tons.

CME SOYBEAN MEAL (US$/ton)

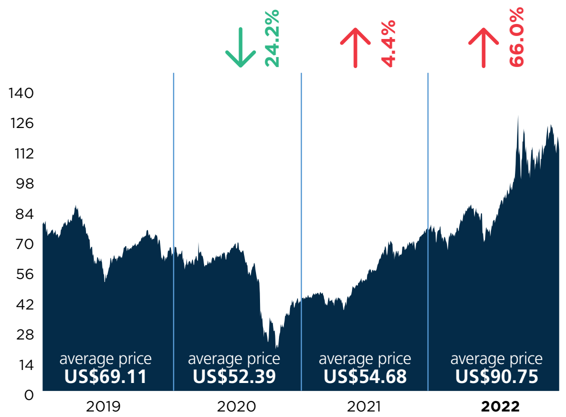


Source: Reuters

Brent crude oil

Brent Crude prices started the period under review at US$77.2 per barrel, ending the period at US$111,6 per barrel. Prices continued to rise due to the supply/demand imbalance created by a combination of increased global demand as economies bounce back from the pandemic, coupled with lower supply. The Organisation of the Petroleum Exporting Countries (OPEC), who removed 10 million barrels per day of oil from the market in April 2020, have been cautiously, albeit insufficiently, restoring production by between 400 000 and 700 000 barrels per day during the financial year. The breakout of the conflict between Russia/Ukraine pushed oil prices further upward, peaking over US$130 per barrel in early March, due to supply concerns of oil out of Russia into parts of Europe. Prices settled in a US$100 to US$125 per barrel range in the last quarter of the financial year. The average ICE Brent Crude price for this reporting period was US$90.75 per barrel compared to the previous period of US$54.68 per barrel, an increase of US$36.07 per barrel (66.0%).

BRENT CRUDE OIL (US$)



Source: Reuters

FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS

		June 2022	June 2021	%
Revenue	Rm	**34 907,0**	31 687,9	10.2
EBITDA	Rm	**2 595,7**	2 409,1	7.7
EBITDA margin	%	**7.4**	7.6	(0.2)ppts
Operating profit	Rm	**1 605,8**	1 476,8	8.7
Operating profit margin	%	**4.6**	4.7	(0.1)ppts
Net finance cost	Rm	**271,2**	289,1	(6.2)
Headline earnings	Rm	**1 054,0**	958,1	10.0
Headline earnings per share	cents	**118.6**	107.9	9.9
Capital expenditure (including intangibles)	Rm	**1 300,7**	921,3	41.2
Return on invested capital	%	**8.8**	8.5	0.3ppts
Cash generated by operations	Rm	**3 427,9**	1 627,4	110.6

RCL FOODS' revenue for the year ended June 2022 increased 10.2% to R34,9 billion (2021: R31,7 billion). The increase was largely driven by higher revenue in Sugar as they continue to deliver a strong result, resilient volumes in Groceries, higher Rainbow (previously referred to as the "Chicken Division") revenue due to improved volumes as the division recovers from the COVID-19 pandemic and lockdowns and a higher revenue in Vector Logistics.

EBITDA improved R186,6 million (7.7%) to R2 595,7 million (2021: R2 409,1 million) at a margin of 7.4% (2021: 7.6%). However, included in this result are material once-offs and accounting impacts, such as:

- A R16,6 million net negative impact arising from COVID-19 direct costs incurred (2021: R121,3 million);
- A reversal of a previously recognised impairment loss on a loan receivable of R57,4 million, as a result of the counterparty to the loan being acquired as a subsidiary with a view to resale during the current period; and
- A net loss of R25,4 million arising from fire damage at our Komatipoort sugar warehouse. Despite not being a material impact in the 2022 financial year, the balance of the insurance proceeds are anticipated to be received and booked in the 2023 financial year, which are likely to be more material.

Excluding the above impacts, underlying EBITDA improved R49,8 million (2.0%) to R2 580,3 million (2021: R2 530,4 million) at a margin of 7.4% (2021: 8.0%).

The underlying EBITDA by business area is reflected in the table below:

	June 2022 Rm	June 2022 margin %	June 2021 Rm	June 2021 margin %	% change	Margin change (ppts)
Underlying EBITDA	**2 580,3**	**7.4**	2 530,4	8.0	2.0	(0.6)
Groceries	**551,7**	**9.2**	562,4	10.2	(1.9)	(1.0)
Baking	**494,5**	**8.0**	529,9	9.1	(6.7)	(1.1)
Sugar	**789,6**	**8.8**	907,5	10.8	(13.0)	(2.0)
Rainbow*	**348,6**	**3.1**	111,1	1.1	214.0	2.0
Vector Logistics	**337,0**	**9.1**	289,6	9.2	16.4	(0.1)
Group*	**78,3**		130,0		(39.7)	
Unallocated restructuring costs	**(19,4)**					

** The results for Rainbow in the comparative period have been restated to include the Group's Waste-to-Value operations, which now form part of the Rainbow business for segmental reporting purposes. The Waste-to-Value results were previously included as part of the Group segment.*

The improvement in the Group's underlying EBITDA was mainly driven by gains in Rainbow (up R237,6 million) and Vector Logistics (up R47,4 million), offset to a large extent by declines in the remaining business units.

RCL FOODS Value-Added Business (encompassing the Groceries, Baking and Sugar business units) delivered a resilient performance under the current economic climate and difficult market conditions. Underlying EBITDA of R1 835,8million was 8.2% lower than last year (2021: R1 999,8 million). The inclusion of an additional trading week in the prior year was a further contributor to the decline. Sugar reported its second highest profit ever and Grocery delivered another resilient result, driven mainly by the Pet Food category. Margin pressure and service level challenges negatively

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impacted the Pies and Beverages results. The Baking business experienced a tough second half of the year, as margins came under pressure due to elevated wheat and fuel costs. This was partially offset by an improved Sunbake performance as its market share increased by 49% amidst an industry-wide bread category decline. The Sunshine Bakery acquisition shortly after the end of the financial year is a major coup for the Baking growth strategy that will build scale, expand our footprint and drive efficiencies in the coming year.

Rainbow is making good progress with its turnaround strategy, as evidenced by its improved performance compared to the prior year. Underlying EBITDA improved 214.0% to R348,6 million (2021: R111,1 million), driven by improvements in pricing, agricultural results and procurement gains which partially countered commodity cost increases. Avian Influenza (AI) remained a challenge to volumes during the 2022 financial year and while the business successfully navigated through it, it remains alert for further outbreaks which are currently prevalent in Europe and America, and contingency plans are in place. The business has achieved a well-balanced and differentiated customer and product mix and has begun with capital investments to ready its Hammarsdale operations to deliver a broader product set.

Vector Logistics continued its turnaround with underlying EBITDA increasing 16.4% to R337,0 million (2021: R289,6 million) driven by the completion of the ICL network integration and a recovery in the food service industry, with volumes returning to almost pre-COVID-19 levels. Vector Logistics was directly impacted by the civil unrest in certain parts of KwaZulu-Natal and Gauteng in July 2021, resulting in lost revenue due to store closures and the looting of its Cornubia depot in KwaZulu-Natal. L&A in Zambia was consolidated as a subsidiary at 100% for a full 12 months in the current financial year, compared to four months in the prior year. L&A has contributed to Vector Logistics' overall growth in revenue and EBITDA in spite of the exchange rate volatility and lower than expected sales performance.

RCL FOODS' headline earnings for the year ended June 2022 increased by 10.0% to R1 054,0 million (2021: R958,1 million).

IMPAIRMENT

In the current financial year, the Sugar business delivered its second highest profit ever, following the record result of the prior year. As a result, the Sugar cash-generating unit (CGU) was tested for possible reversals of impairments previously recognised. A partial impairment reversal of R253,2 million was recognised in the current year in respect of the Sugar CGU. In addition to the above reversal, within the Sugar business further CGU impairments were recognised, being R33,7 million relating to property, plant and equipment and right-of-use assets in one of the Sugar community-based joint ventures, as well as an impairment loss of R54,3 million recognised in terms of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* on a subsidiary acquired exclusively with a view to resale (sugar farming venture). Inter-linked to the impairment loss recognised on the acquisition of the subsidiary is a reversal of an expected credit loss of R57,4 million previously recognised on loans granted to the entity, which have been derecognised in the current year as a consequence of it now being consolidated.

In addition to the above, the annual impairment test conducted on CGUs containing goodwill and other indefinite useful life intangible assets, resulted in R107,4 million of goodwill being impaired in the Beverages business; and an impairment of the right-of-use asset relating to the Group's national office of R66,1 million due to the internal restructure arising from the Group's strategic review process.

Refer to the financial strategy section of this report on page 84 for further details.

NET FINANCE COSTS

Net finance costs decreased by R17,9 million (6.2%) on the prior year mainly as a result of lower interest paid in the current year due to repayments on the debt package, and higher average cash balances during the year due to well-managed working capital balances. The Group's interest rate collar hedge on its term funded debt package came to an end in March 2022. A further hedge will be considered as part of the overall capital structure workstream as part of the strategic review.

Net finance costs paid for the period of R217,8 million are R53,4 million lower than net finance costs expensed in the income statement mainly due to the non-cash leases interest charge (R92,1 million) and a non-cash fair value adjustment on the close-out of the interest rate collar hedge in March 2022 (R38,7 million gain).

EQUITY ACCOUNTED INVESTMENTS

For a description of the main business operations of our joint ventures and associates refer to notes 3 and 4 of the consolidated financial statements, available on our website at www.rclfoods.com/financial-results-and-reports-2022.

ASSOCIATES

Royal Eswatini Sugar Corporation (RES) (Eswatini)

RCL FOODS share of RES' after-tax results for the year ended June 2022 was down 77.3% to R29,2 million (2021: 128,7 million). The result was largely driven by heavy rains in Eswatini which hampered RES' ability to deliver sugarcane from the farms to the mill. The crushing season has therefore been delayed by almost a month, although it is expected to recover and crush the full cane crop for the 2023 season.

HMH Rainbow (HMH) (Uganda)

HMH's after-tax contribution was a loss of R4,7 million (2021: R5,6 million profit). The decline was mainly due to the prior year benefiting from asset revaluation gains.

LIVEKINDLY Collective Africa (LKCA) (South Africa)

LKCA delivered an after-tax contribution of negative R6,7 million (2021: R0,5 million profit). The business is currently still in its development phase.

JOINT VENTURES

Akwandze Agricultural Finance (Akwandze) (South Africa)

Akwandze's equity accounted share of after-tax profit was R9,2 million for the 12 months to June 2021 (2021: loss of R25,4 million). The improvement was mainly due to an insurance recovery related to losses incurred due to an identified fraud in the prior year, partially offset by lower interest revenue from loans granted.

Mananga Sugar Packers (Mananga) (Eswatini)

The Mananga investment contributed an equity share of after-tax profit of R16,9 million for the 12 months to June 2022 (2021: R27,3 million). The decline was largely due to lower sales as a result of non-availability of sugar from RES due to the delayed season start.

Senn Foods Logistics (Senn) (Botswana)

Senn is steadily recovering from the effects of COVID-19 on its operations in the last two financial years. Its after-tax contribution of R12,8 million was R3,3 million higher than prior year (2021: R9,5 million).

TAXATION

The Group's effective tax rate, excluding joint ventures and associates, was 30.7% (2021: 27.1%).

The 2021 effective tax rate was impacted by a gain recognised on the deemed disposal of the 45% investment in L&A following an additional investment resulting in it being recognised as a subsidiary, for which there were no tax consequences, as well as the utilisation of unrecognised deferred tax assets for profits made during the year in our 50% owned sugar cane-grower companies (R8,2 million tax impact). Excluding the above items, the effective tax rate for the prior year was 28.4%.

The effective tax rate also includes the impact of the decrease in the South African corporate tax rate to 27% on our deferred tax assets and liabilities. The revised tax corporate tax rate is applicable for years of assessment ending on or after 31 March 2023 and will be applicable to the Group for the 2023 financial year.

STATEMENT OF FINANCIAL POSITION

Key statement of financial position items are highlighted below:

Non-current assets

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment increased by R802,2 million, mainly driven by capital expenditure totalling R1 273,4 million for the year, the partial reversal of impairment losses previously recognised on property, plant and equipment in Sugar and partially offset by depreciation charges of R669,2 million.

Capital expenditure (including intangibles of R27,2 million) for the year ended June 2022 was R1 300,7 million (2021: R921,3 million). The only significant spend items were:

- Expansion of the Bread, Buns & Rolls production lines (R82,2 million);
- A combination of expansion and replacement expenditure related to the reinstatement of the second shift at the Hammarsdale P2 processing facility (R50,3 million);
- Replacement and expansion of Ambient Cake lines in Speciality (R47,7 million).
- Expansion of Vector Logistics' Thekwini chiller (R37,0 million);
- Off-crop replacement projects in Sugar (R33,6 million);
- Expansion of Vector Logistics' cold storage facility at Estoire in Bloemfontein (R31,2 million); and
- Expansion of Vector Logistics' Polokwane site (R25,4 million).

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The remaining spend consists of smaller items individually less than R20,0 million.

An amount of R1 022,7 million (2021: R514,0 million) has been contracted and committed, but not spent, whilst a further R361,5 million (2021: R394,8 million) has been approved but not contracted. Major items included in these amounts relate to:

- A combination of expansion and replacement expenditure related to the reinstatement of the second shift at the Hammarsdale P2 processing facility (R170,4 million);
- Replacements related to the fire at the Komatipoort warehouse (R150,0 million);
- Expansion of the Bread, Buns & Rolls production lines (R117,5 million);
- Replacements within the Vector Logistics fleet (R67,6 million);
- Replacements of ovens within Bread, Buns & Rolls (R32,3 million); and
- Replacement of solvent extracting machinery within Grocery (R25,8 million).

RIGHT-OF-USE ASSETS

Right-of-use assets decreased by R580,6 million from June 2021. The decrease was mainly driven by the early exit of and re-assessment of lease terms relating to certain leased properties as part of Vector Logistics' ICL consolidation which reduced the right-of-use assets balance by R367,1 million, depreciation of R205,6 million and impairment losses recognised on right-of-use assets of R99,8 million. This was partially offset by additions of R101,2 million.

INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Investment in associates decreased by R30,9 million driven mainly by profits capitalised in the RES of R29,2 million, partially offset by dividends received from RES of R54,2 million.

INVESTMENT IN FINANCIAL ASSET

Investment in financial assets increased by R27,8 million over the prior period mainly driven by the revaluation at year-end. The investment relates to the Group's minority shareholding in the LIVEKINDLY Collective (LKC) and is denominated in US Dollar.

Current assets and current liabilities

Net working capital (including biological assets) has decreased by R793,2 million over the prior period and from 11.0% to 7.7% as a percentage of revenue.

While inventory levels were largely in line with the prior year, biological assets increased by R276,5 million to R1 231,8 million mainly due to improved recoverable value (RV) prices, cane quality, age and yield in Sugar, coupled with higher volumes and higher bird values as a result of increased input costs, particularly feed costs, in Rainbow.

Trade and other receivables increased by R672,3 million and from 17.1% to 17.5% of revenue, while trade and other payables increased by R1 717,7 million and from 19.2% to 22.3% of revenue. Credit continues to be well managed, evidence by low adjusted trade debtors days of 34 days (2021: 34 days). Adjusted debtors days calculates the days off trade debtors only, and is based on the gross sales value made by Vector Logistics instead of the net revenue disclosed for accounting purposes.

Cash on hand, net of overdrafts, increased by R668,8 million to R1 565,8 million. The increase was largely due to the positive net working capital position.

Long- and short-term interest-bearing liabilities

Total interest-bearing liabilities of R2 650,3 million are R314,7 million lower than last year with the decrease mainly due to repayments of R337,5 million made on the Group's term funded debt package during the year.

Lease liabilities

Lease liabilities of R885,6 million are R529,4 million lower than last year mainly due to repayments made during the year of R256,2 million and the early exit and lease term reassessment of certain property leases which reduced total lease liabilities by R395,5 million, partially offset by interest capitalised of R92,1 million.

Other non-current liabilities

Deferred tax liabilities of R1 040,2 million (2021: R1 051,6 million) arises from numerous temporary differences across the Group and, where applicable, has been remeasured to the recently enacted South African corporate tax rate of 27%.

The post-retirement medical obligation of R115,7 million (2021: R106,9 million) arises from the actuarial valuation of the Group's potential liability resulting from post-retirement medical aid contributions in respect of current and future retirees. This liability is unfunded. The obligation of the Group to pay medical aid benefits after retirement is no longer part of the conditions of employment of the Group.

CASH FLOW AND WORKING CAPITAL

Cash generated by operations increased by R1 800,5 million (110.6%) to R3 427,9 million, largely due to favourable movements in working capital. The cash conversion ratio increased to 132% (2021: 68%). Included in the non-cash items of R667,3 million are addbacks of depreciation, amortisation and impairment charges of R989,8 million and non-cash IFRS 2 and B-BBEE charges of R103,3 million. These were offset by deductions of positive fair value adjustments on biological assets within the Rainbow and Sugar business units of R9,5 million and R350,4 million respectively, as well as a foreign exchange adjustment recognised on the investment in the The LIVEKINDLY Collective of R27,8 million. Within the Sugar business unit, the entire biological assets balance is capitalised using a fair value adjustment, with the realisation of the prior year's biological assets expensed through cost of sales and reflected under working capital movements (R254,1 million), resulting in a net R94,9 million increase in Sugar biological assets for the year.

Cash outflows from investing activities increased by R213,3 million to R1 256,1 million in the current year. Material items included within investing activities relate to capital expenditure (including intangibles) of R1 300,7 million (2021: R921,3 million) and proceeds on disposal of fixed assets and assets held for sale of R41,4 million (2021: R41,8 million).

The net cash outflow from financing activities of R605,9 million relates mainly to payments made on the Group's debt package of R337,5 million and payments on lease liabilities of R256,2 million.

Summarised cash flow information (Rm)	June 2022	June 2021
Opening balance*	**897,0**	1 030,0
Operating profit adjusted for non-cash flow items	**2 273,1**	2 034,1
Working capital changes	**1 154,8**	(406,7)
Net finance costs paid	**(217,8)**	(216,6)
Tax paid	**(347,1)**	(335,1)
Dividends paid	**(402,9)**	(225,3)
Dividends received	**70,4**	96,0
Capital expenditure (including intangibles)	**(1 300,7)**	(921,3)
Proceeds on sale of property, plant and equipment	**28,9**	37,2
Proceeds on disposal of assets held for sale	**12,5**	4,7
Acquisition of businesses	**(7,0)**	(4,5)
Acquisition of associate		(155,9)
Net outflows on other interest-bearing liabilities	**(605,9)**	(36,5)
Other	**10,3**	(2,8)
Exchange rate translation	**0,2**	(0,2)
Closing balance*	**1 565,8**	897,0

* *Net of overdrafts.*

Return on invested capital

Return on invested capital (ROIC) remains a key metric used by the Group to measure its efficiency and effectiveness of capital allocation. ROIC is calculated using a rolling 12-month net operating profit after tax (including share of profits/losses of associates and joint ventures) divided by invested capital. The Group monitors ROIC at a divisional level and it is used in allocating resources between business units as part of the annual business planning process, in order to optimise the use of funding and maximise returns to shareholders. Group ROIC improved 0.3% from 8.5% in 2021 to 8.8% in 2022. In addition to the reported ROIC, an underlying view is presented below. The underlying view of ROIC excludes the material impact of once-offs and accounting adjustments.

Underlying Group ROIC declined 0.1% from 9.1% in 2021 to 9.0% in 2022. Sugar's good but lower than 2021's record result is largely offset by Rainbow's recovery. Vector Logistics' exceptional result is largely attributable to a favourable year-end working capital cut-off position, which by the nature of its business model having material working capital balances, can materially distort ROIC. The absolute contribution of Vector Logistics to the RCL FOODS Group ROIC is relatively small.

ROIC (%)	June 2022 Reported	June 2022 Underlying	June 2021 Reported	June 2021 Underlying	% Change Reported	% Change Underlying
RCL FOODS Group	**8.8**	**9.0**	8.5	9.1	0.3ppts	(0.1)ppts
Group (excluding Rainbow and Vector Logistics)*	**10.9**	**11.2**	14.0	15.2	(3.1)ppts	(4.0)ppts
Rainbow*	**1.8**	**1.8**	(5.3)	(6.0)	7.1ppts	7.8ppts
Vector Logistics	**40.0**	**40.6**	3.8	4.1	36.2ppts	36.5ppts

* *The ROIC for the comparative period has been restated to include the Group's Waste-to-Value operations within the Rainbow segment, which now form part of the Rainbow business for segmental reporting purposes. The Waste-to-Value results were previously included as part of the Group segment.*

CFO'S REPORT CONTINUED

ACCOUNTING POLICIES

The Group's accounting policies are governed by International Financial Reporting Standards (IFRS). Guidance has been obtained from the International Financial Reporting Interpretations Committee (IFRIC) and circulars.

The Group maintains the view that the standards set the minimum requirements for financial reporting. The financial statements in this Abridged Integrated Annual Report have been prepared with the aim of exposing the reader to a summary view of the results, using a simplified approach, in the hope of facilitating a deeper and more informed understanding of the Group's performance.

PRESENTATION DATE OF RESULTS

The Group reports its results on the retail calendar of trading weeks which treats each financial year as an exact 52-week period, incorporating trade from Monday to Sunday each week. This treatment effectively results in the loss of a day (or two in a leap year) per calendar year. These days are brought to account approximately every six years by including a 53rd week.

The financial statements and results for 2022 are presented for the 364-day period ended 3 July 2022, compared to a 371-day period in the previous financial year which ended on 4 July 2021.

CASH DIVIDEND DECLARATION

It is the Board's intention to continue paying dividends, subject to the Group's underlying profit delivery.

The directors have resolved to declare a final gross cash dividend (number 95) of 30.0 cents per share bringing the total dividend declared for the year ended June 2022 to 45.0 cents per share (2021: 45.0 cents). Dividend tax will amount to 6.0 cents per share and consequently shareholders, who are not exempt from dividend tax, will receive a net dividend amount of 24.0 cents per share.

INFORMATION SECURITY

The risks relating to a loss of data and leaking of sensitive information remain a key area of focus for the Group as cyber-attacks become increasingly common across the globe. These risks have the potential to cause material financial and reputation damage to many companies. The Group is committed to protecting the interests of its investors and stakeholders and ensuring it fully complies with the provisions of the Protection of Personal Information Act. As a Group we are aware of the importance of safeguarding our information and currently have in place well-designed information systems and policies to control our data.

In response to the heightened level of information security risk, the Group established a project team to perform a holistic review and assessment of information security risk across the Group. The approach used ensures that business users are made aware of all the risks associated with all the information they collate, change, store, share and manage. This culminated in a formal Group-wide information security policy, encompassing our information security approach and strategy and ensures compliance with the Protection of Personal Information Act.

The Group did not identify any material information security breaches in the current financial period. Cyber insurance cover has been renewed and is available in the event of a financial loss resulting from an information security breach subject to the terms of the policy.

INSURANCE

The Group applies an umbrella approach to insurance and aims to insure all Group companies under the same insurance structure.

The Group strategy is to keep insurance to a minimum without exposing the Group's assets or profitability to unacceptable financial loss which could materially affect either trading results or cash flow. RCL FOODS' balance sheet has allowed more scope to self-insure predictable losses and less material risks which are not administratively cost effective to transfer to insurers. An annual assessment of the Group's risk bearing capacity is performed to identify opportunities to increase our self-insurance levels, in conjunction with our robust risk management programme that is in place. It is our intention to methodically increase these self-insurance levels over time to manage the absolute total cost of insurance to an optimal level.

The increased scale of the Group's assets has also allowed the underwriting to be broadened to include international insurance markets. A balanced placement of underwriting between local and international underwriters is considered to be more cost effective over the long-term, as it protects the Group should any market experience excessive claims.

During the 2022 financial year, there were two major insurance events. In October 2021, a fire at our Komatipoort sugar warehouse resulted in approximately 40 000 tons of raw sugar being lost as well as damage to property, plant and equipment. The claim for specific costs incurred relating to the fire and lost inventory has been confirmed by our insurers and an amount of R289,0 million has been recognised as insurance proceeds in the current financial year. The carrying value of the property, plant and equipment was negligible, however the balance of the claim related to the loss is expected to be received as rebuild expenses are incurred, from the start of the 2023 financial year.

In July 2021, civil unrest in certain parts of KwaZulu-Natal and Gauteng impacted operations. A claim of R44,0 million has been finalised with the insurers in the 2022 financial year. The floods in KwaZulu-Natal and parts of the Eastern Cape in May 2022 had minimal impact on our operations and infrastructure in KwaZulu-Natal. The resultant damage and business interruption from the floods were below the Group's insurance deductible and hence no proceeds are expected to be received.

The Group has comprehensive risk management processes in place and continues to work in conjunction with insurers in maintaining acceptable levels of insurance cover. Increased awareness around the tip-offs anonymous line and fraud indicators is being driven through Group-wide communications.

Refer to page 48 of this report for a discussion over our material risks and responses.

EMPLOYEE SHARE OWNERSHIP SCHEME

The Group's B-BBEE schemes, of which the Employee Share Ownership Scheme is the majority participant, were implemented in January 2014 and closed out in the 2022 financial year. These schemes were underwater and will be wound down in September 2022.

CENTRAL TREASURY AND DEBT REFINANCE

The inheritance of significant debt levels through the Foodcorp acquisition led to an increased focus on gearing and cash flow management and the subsequent establishment of a centralised treasury function. The treasury function is the Group's single point of reference with funders and is tasked with minimising the cost of funding across the Group.

The objective of the centralised treasury function is to:

- Ensure that sufficient cash resources are available to meet working capital requirements across the Group;
- Ensure that excess cash is pooled and invested optimally;
- Determine and implement an optimal level of debt financing; and
- Minimise transaction and interest costs.

Term-funded debt package

The Group has a R2 350,0 million debt package, with a five-year term expiring in December 2023, with interest at a rate of three-month JIBAR plus a margin of between 1.5% and 1.55%. Repayments of R337,5 million have been made in the 2021 and 2022 financial years.

It is anticipated that the debt package will be revised in advance of its expiration in December 2023. More information in this regard will be announced in due course. The partial hedge closed out on 31 March 2022 and the debt package will remain on a floating interest rate basis until a new debt package is put in place.

A summary of the remaining construct of the term-funded debt package is illustrated below:

Term	Value Rm	*Year 1 Dec 2019	Year 2 Dec 2020	Year 3 Dec 2021	**Year 4 Dec 2022	***Year 5 Dec 2023
5-year	837,50					
RCF[1]	837,50					
4-year	281,25					
RCF[1]	281,25					
3-year[2]	56,25					
RCF[1]	56,25					
Total	**2 350**					
Hedged		**75%**	**75%**	**79%**	**0%**	**0%**

Hedged 3-month JIBAR (collar with a 7.0% floor and 8.5% cap)

Unhedged

Partial hedge (50%)

* *Hedged commences 1 April 2019*
** *Hedge ends 31 March 2022*
*** *The final repayment on the debt package is on 13 December 2023*
[1] *Revolving credit facility*
[2] *As at June 2022, R337,5 million of the debt package has been repaid*

Key covenants on the current debt package are net interest-bearing senior debt/adjusted EBITDA cover ratio of less than 3.0 and a senior interest cover ratio of greater than 3.5. All covenants have been met in the 2022 financial year.

CONCLUSION

Rising commodity input pricing and global inflation rates, further exacerbated by the Russia/Ukraine conflict, had a pervasive effect on the Group's results for the 2022 financial year. Despite this, RCL FOODS has delivered a pleasing performance and we will continue to strive toward building a resilient business that generates sustainable value.

RH Field
Chief Financial Officer

OUR BUSINESS AT A GLANCE
HOW WE OPERATE
OUR STRATEGIC PROGRESS
OUR KEY REPORTS AND REVIEWS
ABRIDGED FINANCIAL STATEMENTS

RECONCILIATION BETWEEN REPORTED AND UNDERLYING RESULTS

The underlying results ("underlying results" or "*pro forma* financial information") show the impact of excluding material once-off and accounting adjustments to the EBITDA, profit for the period attributable to equity holders of the Company, earnings per share (EPS), headline earnings and headline earnings per share (HEPS). The underlying results is considered *pro forma* financial information in terms of the JSE Listings Requirements and has been presented for illustrative purposes only, to provide users with relevant information and measures used by the Group to assess performance for the period under review. The preparation and presentation of the *pro forma* financial information are the responsibility of the board of directors. The underlying view of results is a non-IFRS measure and, due to its nature, therefore may not fairly present the Group's financial position, changes in equity, results of operations or cash flows for the periods presented. This *pro forma* financial information has been reported on by the Group's auditors, being PricewaterhouseCoopers Inc., and their independent reporting accountant's report is available for inspection at the Group's registered offices and on the RCL FOODS website, www.rclfoods.com/financial-results-and-reports-2022.

Reported information has been extracted without adjustment from the consolidated annual financial statements for the year ended June 2022. The underlying adjustments have been extracted from the Group's accounting records for the year ended June 2022.

June 2022 (Rm)	Reported results	COVID-19 direct costs[1]	Net CGU impairments[2]	Komati Fire[3]	Underlying results
EBITDA	2 595,7	**16,6**	**(57,4)**	**25,4**	2 580,3
RCL FOODS Value-Added Business	1 855,0	**12,8**	**(57,4)**	**25,4**	1 835,8
Groceries	550,1	**1,6**			551,7
Baking	487,9	**6,6**			494,5
Sugar	817,0	**4,6**	**(57,4)**	**25,4**	789,6
Rainbow	347,1	**1,5**			348,6
Vector Logistics	334,7	**2,3**			337,0
Group	78,3				78,3
Unallocated restructuring costs	(19,4)				(19,4)
Profit for the period attributable to equity holders of the Company	1 013,4	**12,0**	**1,4**	**18,3**	1 045,1
EPS (cents)	114.0	**1.3**	**0.2**	**2.1**	117.6
Headline earnings	1 054,0	**12,0**	**(57,4)**	**18,3**	1 026,8
HEPS (cents)	118.6	**1.3**	**(6.5)**	**2.1**	115.5

June 2021 (Rm)	Reported results	COVID-19 direct costs[1]	Underlying results
EBITDA	2 409,1	121,3	2 530,4
RCL FOODS Value-Added Business	1 978,8	21,0	1 999,8
Groceries	557,8	4,5	562,4
Baking	520,6	9,3	529,9
Sugar	900,4	7,2	907,5
Rainbow*	17,5	93,6	111,1
Vector Logistics	282,9	6,7	289,6
Group*	130,0		130,0
Profit for the period attributable to equity holders of the Company	992,9	87,3	1 080,2
EPS (cents)	111.8	9.8	121.6
Headline earnings	958,1	87,3	1 045,5
HEPS (cents)	107.9	9.8	117.7

* *The results for the Rainbow and Group segments in the comparative periods have been restated to reallocate the Group's Waste-to-Value operations, which now form part of the Rainbow business for Group segmental reporting purposes. The Waste-to-Value results were previously included as part of the Group segment. All information in the table above has been extracted from the Group Financial Results and Cash Dividend Declaration for the year ended June 2021, published on 6 September 2021, available on our website at www.rclfoods.com/financial-results-and-reports-2021.*

Underlying results represent the results after taking into account the below adjustments:

[1] *COVID-19 relates to the negative impact arising from COVID-19 direct costs incurred and excludes any lost revenue impact. This is disclosed net of insurance proceeds. Direct costs associated with COVID-19 include, but are not limited to, additional casual labour and overtime costs arising as a result of lockdown capacity constraints; amounts spent on personal, protective equipment for our employees; deep cleaning costs incurred as a result of COVID-19; additional storage due to stock-builds; and the supply chain relief driven by excess stock levels.*

[2] *Cash-generating unit (CGU) impairments relate to impairments processed due to a lower forecast of growth into the future. The impairments number is partially offset by a gain recognised on the reversal of a previously recognised impairment loss relating to a subsidiary acquired with a view to resale. The subsidiary was acquired, and an impairment loss thereon was recognised in accordance with IFSR 5 Non-current Assets Held for Sale and Discontinued Operations. Due to the inter-relatedness of these transactions, the reversal of the impairment loss has been offset against the impairment recognised.*

[3] *Komati fire relates to losses incurred in respect of the fire at the Sugar warehouse in Komatipoort, net of insurance accruals for claims instituted.*

The headline earnings impact of the underlying adjustments in the table above differs from EBITDA mainly due to the impact of taxation.

For a detailed reconciliation of profit for the period to headline earnings for both the current and prior year, refer to page 109

DEFINITIONS AND RATIOS

SHAREHOLDER RATIOS

Earnings per share

Profit for the year attributable to equity holders of the Company divided by weighted average ordinary shares in issue

Diluted earnings per share

Profit for the year attributable to equity holders of the Company divided by diluted weighted average ordinary shares in issue

Headline earnings per share

Headline earnings divided by weighted average ordinary shares in issue

Dividend cover

Headline earnings per share divided by dividends per share

Net asset value per share

Total equity divided by ordinary shares in issue at year-end

RESULTS RATIOS

EBITDA margin

EBITDA expressed as a percentage of revenue

Operating profit margin

Operating profit expressed as a percentage of revenue

Return on net assets

Profit before tax, expressed as a percentage of net assets

Net asset turnover

Revenue divided by net assets

Return on invested capital

Net operating profit after tax plus equity-accounted profits divided by invested capital

STATEMENT OF FINANCIAL POSITION

Total assets

Non-current and current assets

Total liabilities

Non-current and current liabilities

Net assets

Total assets less total liabilities

Invested capital

Total equity and interest-bearing liabilities less non-operating assets and cash and cash equivalents

INCOME STATEMENT

Operating profit before depreciation, amortisation and impairments (EBITDA)

Operating profit before depreciation, amortisation and impairments is earnings before depreciation, amortisation, impairments of property, plant and equipment and intangible assets, interest and tax

Operating profit (EBIT)

Operating profit is earnings before interest and tax

Return on equity

Profit attributable to equity holders of the Company expressed as a percentage of average total equity

SHARE INFORMATION

PE ratio

Market share price at year-end divided by headline earnings per share

DEBT RATIOS

Net senior debt

Total unsubordinated debt less cash and cash equivalents

Senior leverage ratio

Net senior debt divided by pre-IFRS 9 EBITDA adjusted for amounts attributable to non-controlling interests, asset revaluations, profits or losses on disposals of property, plant and equipment and the impact of leases capitalised in terms of IFRS 16 Leases

Senior interest cover ratio

Pre-IFRS 9 EBITDA adjusted for amounts attributable to non-controlling interests, asset revaluations, profits or losses on disposals of property, plant and equipment and the impact of leases capitalised in terms of IFRS 16 Leases

Senior net finance charges

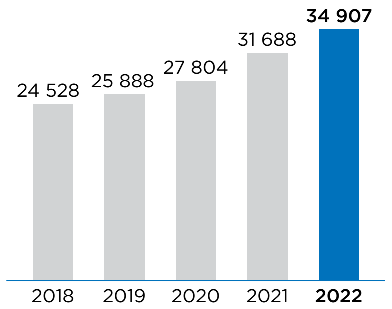
Finance charges on unsubordinated debt less interest income

Gearing ratio

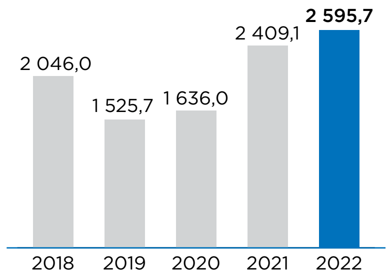
Total interest-bearing liabilities as a percentage of total equity

OUR FIVE-YEAR REVIEW

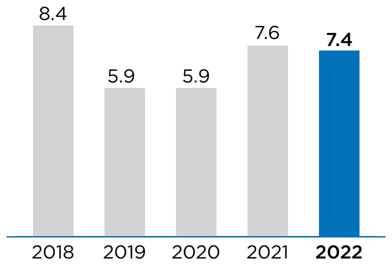
REVENUE (R million)



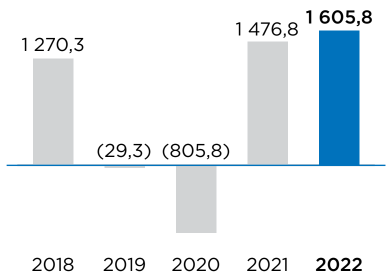
EBITDA (R million)



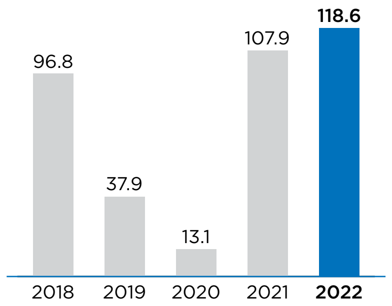
EBITDA MARGIN (%)



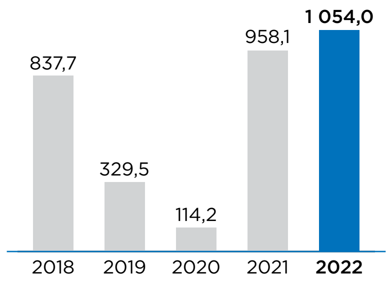
EBIT (R million)



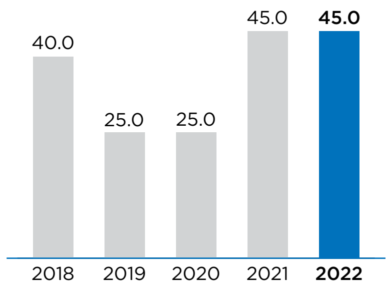
HEADLINE EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY (cents)



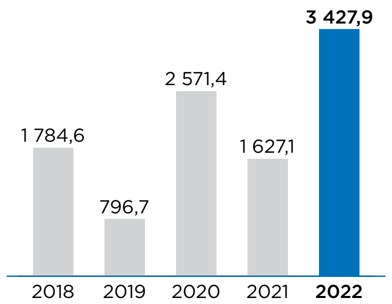
HEADLINE EARNINGS ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY (R million)



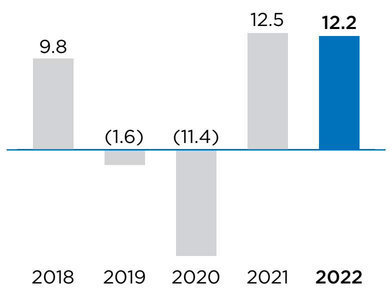
DIVIDENDS PER SHARE (cents)



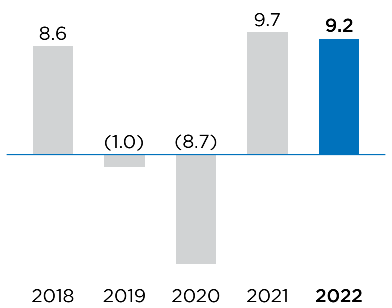
CASH GENERATED BY OPERATIONS (R million)



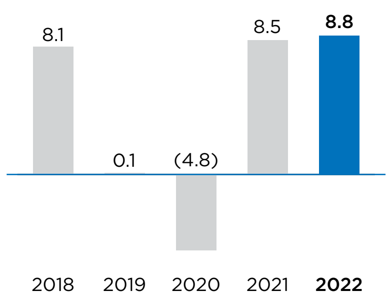
RETURN ON NET ASSETS (%)



RETURN ON EQUITY (%)



RETURN ON INVESTED CAPITAL (%)



OUR FIVE-YEAR REVIEW CONTINUED

	2022 R'000	2021 R'000	2020 R'000	2019 R'000	2018 R'000
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION					
ASSETS					
Property, plant and equipment and right-of-use assets	**6 886 623**	6 665 072	6 669 077	5 566 523	5 922 829
Intangible assets	**3 488 171**	3 659 965	3 677 055	4 639 232	4 695 990
Investment in joint ventures	**307 135**	287 828	310 309	288 241	248 570
Investment in associates	**822 991**	853 866	676 856	612 918	526 437
Deferred income tax asset	**45 435**	99 742	86 428	71 400	28 448
Loans receivable	**31 095**	49 375	66 964	91 561	35 920
Investment in financial asset	**241 976**	214 138	137 039		
Trade and other receivables	**26 289**	24 597	23 060	127 025	58 010
Current assets	**12 125 579**	10 553 423	10 839 788	9 009 967	9 475 093
Total assets	**23 975 294**	22 408 006	22 486 576	20 406 868	20 991 297
EQUITY AND LIABILITIES					
Equity	**11 389 332**	10 693 667	9 821 976	10 834 026	11 179 703
Deferred income	**4 474**				22
Interest-bearing liabilities	**2 269 311**	3 525 331	3 959 958	2 639 363	1 965 983
Deferred income tax liabilities	**1 040 157**	1 051 565	1 034 622	1 211 607	1 253 584
Retirement benefit obligations	**115 725**	106 900	101 269	126 590	135 072
Trade and other payables		461	3 059	6 326	6 410
Current liabilities	**9 156 295**	7 030 082	7 565 692	5 588 956	6 450 523
Total equity and liabilities	**23 975 294**	22 408 006	22 486 576	20 406 868	20 991 297
CONSOLIDATED INCOME STATEMENTS					
Revenue from contracts with customers	**34 906 972**	31 687 850	27 803 611	25 887 506	24 527 961
Operating profit before depreciation, amortisation and impairments (EBITDA)[1]	**2 595 656**	2 409 135	1 636 037	1 525 659	2 045 984
Depreciation, amortisation and impairments[1]	**(989 841)**	(932 330)	(2 441 834)	(1 554 986)	(775 640)
Operating profit/(loss)	**1 605 815**	1 476 805	(805 797)	(29 327)	1 270 344
Finance costs	**(311 622)**	(326 161)	(508 186)	(325 201)	(315 104)
Finance income	**40 396**	37 053	53 457	48 585	62 624
Share of profits of joint ventures	**38 904**	11 331	46 267	43 318	28 268
Share of profits of associates	**17 752**	135 553	118 338	84 523	51 834
Impairment of associate			(18 897)		
Profit/(loss) before tax	**1 391 245**	1 334 581	(1 114 818)	(178 102)	1 097 966
Income tax (expense)/credit	**(413 561)**	(338 824)	155 780	(5 860)	(219 589)
Profit/(loss) for the year	**977 684**	995 757	(959 038)	(183 962)	878 377
Profit/(loss) for the year attributable to:					
Equity holders of the Company	**1 013 361**	992 909	(901 396)	(110 541)	922 439
Non-controlling interests	**(35 677)**	2 848	(57 642)	(73 421)	(44 062)

[1] *Impairments relate only to impairments of property, plant and equipment, goodwill and intangible assets.*

OUR FIVE-YEAR REVIEW CONTINUED

		2022	2021	2020	2019	2018
KEY STATISTICS						
Earnings per share	cents	**114.0**	111.8	(103.0)	(12.7)	106.6
Diluted earnings per share	cents	**113.1**	111.7	(102.9)	(12.5)	104.1
Headline earnings per share	cents	**118.6**	107.9	13.0	37.9	96.8
Dividends per share	cents	**45.0**	45.0	25.0	25.0	40.0
Dividend cover	times	**2.5**	2.4	0.5	1.5	2.4
Cash generated by operations	R million	**3 428**	1 627	2 571	797	1 785
Capital expenditure (excluding intangibles)	R million	**1 273**	900	785	1 131	815
Net assets	R million	**11 389**	10 694	9 822	10 834	11 180
Net asset value per share	cents	**1 280.5**	1 203.9	1 105.8	1 245.1	1 289.0
RESULTS RATIOS						
EBITDA margin	%	**7.4**	7.6	5.9	5.9	8.4
Operating profit margin	%	**4.6**	4.7	(2.9)	(0.1)	5.2
Return on net assets	%	**12.2**	12.5	(11.4)	(1.6)	9.8
Net asset turnover	times	**3.1**	3.0	2.8	2.4	2.2
Return on equity	%	**9.2**	9.7	(8.7)	(1.0)	8.6
Return on invested capital	%	**8.8**	8.5	(4.8)	0.1	8.1
DEBT RATIOS						
Senior leverage ratio	times	**0.6**	1.0	1.6	2.3	1.1
Senior interest cover ratio	times	**10.5**	10.2	4.7	4.8	7.4
Gearing ratio	%	**31.0**	41.0	44.4	26.0	29.1
SHARE INFORMATION						
Number of ordinary shares						
– weighted average in issue[1]	'000	**888 700**	888 246	875 497	868 897	865 649
– diluted weighted average in issue[1]	'000	**896 367**	889 274	876 172	883 210	886 486
– at year-end (statutory, includes B-BBEE shares)	'000	**953 298**	959 004	959 004	940 902	938 087
– at year-end (for accounting purposes)[1]	'000	**889 468**	888 246	888 246	870 143	867 328

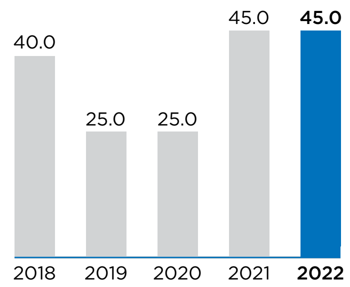
[1] *Excludes shares issued in terms of the B-BBEE schemes, refer to note 32 of the consolidated financial statements, available on our website at www.rclfoods.com/financial-results-and-reports-2022.*

For further details pertaining to shareholder information refer to note 12 of the consolidated financial statements, available on our website at www.rclfoods.com/financial-results-and-reports-2022.

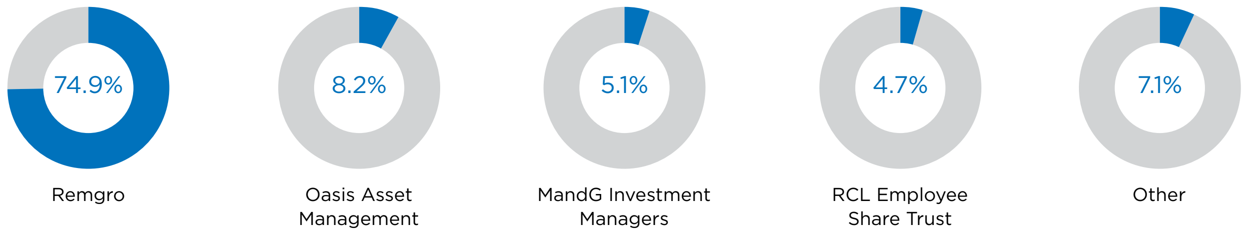
SHARE INFORMATION

RCL FOODS SHARE PRICE (cents)

DIVIDENDS PER SHARE (cents)



SHAREHOLDERS (%)



STOCK EXCHANGE PERFORMANCE

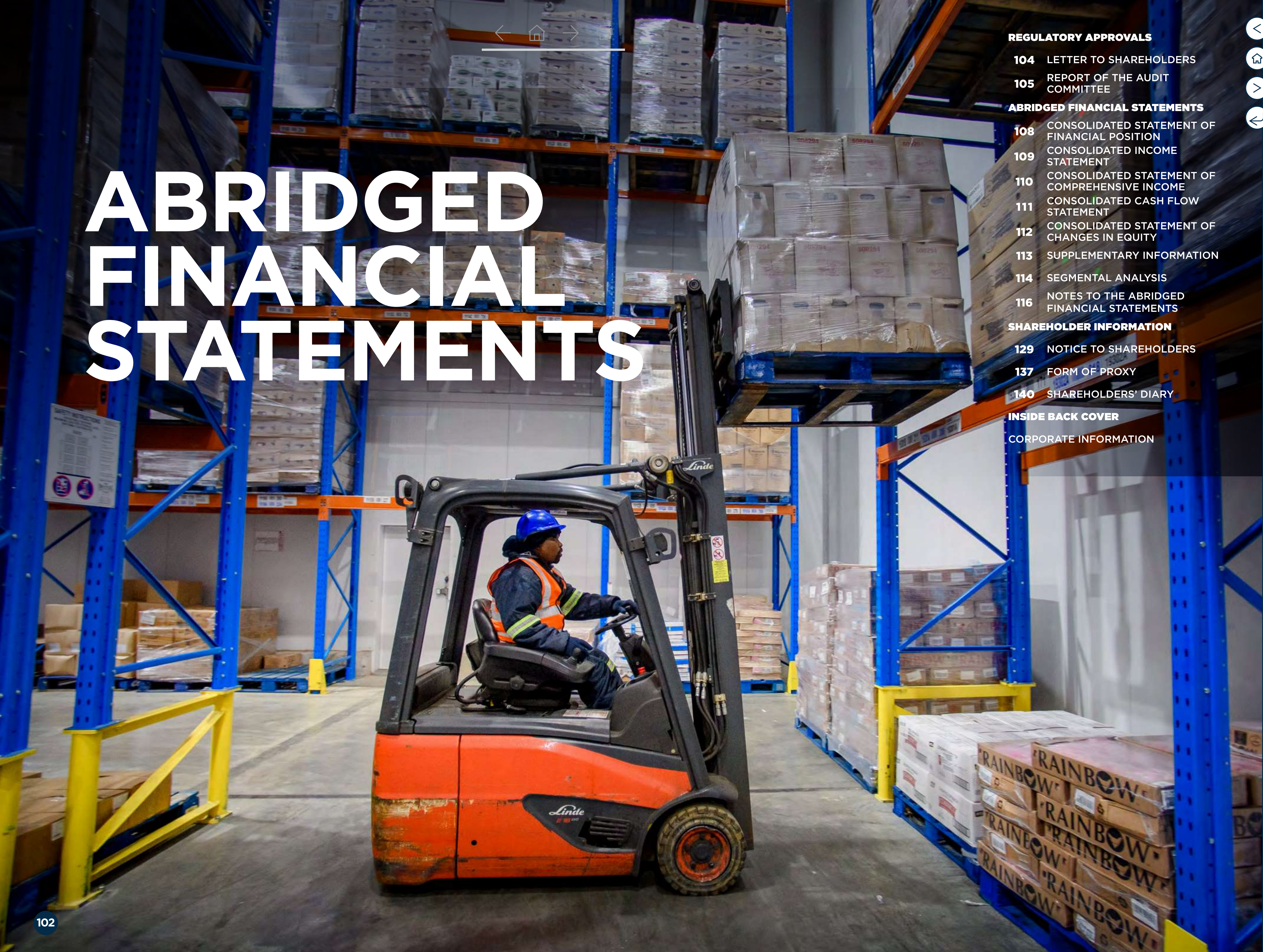
12 months		2022	2021
Share price			
– lowest	cents	**881**	562
– highest	cents	**1 600**	1 099
– at year-end	cents	**1 021**	931
Number of shares traded	million	**26,1**	63,4
Value traded	R million	**305,0**	475,3
Number of shares in issue at year-end	'000	**953 298**	959 004
PE ratio at year-end	ratio	**8.6**	8.6
Market capitalisation	R billion	**9,7**	8,9

LISTING INFORMATION

JSE share code:	RCL
Sector:	Consumer Goods – Food & beverages
Subsector:	Food Producers

REPORTING DATES

Interim results	February 2023
Year-end results	September 2023
Annual report published	September 2023
Annual general meeting	November 2023



ABRIDGED FINANCIAL STATEMENTS

RCL Foods Limited
Ten The Boulevard
Westway Office Park
Westville
3629

Dear shareholder,

Kindly note that the information contained in this printed version of the Abridged Integrated Annual Report represents a summary of the information contained in the full Integrated Annual Report published on the RCL FOODS website at www.rclfoods.com/financial-results-and-reports-2022 on 27 September 2022.

Any investment decisions by investors and/or shareholders should be based on a consideration of the full Integrated Annual Report as a whole and shareholders are encouraged to review the full Integrated Annual Report which is available for viewing on the Company's website set out above.

Investors and/or shareholders may request copies of the full Integrated Annual Report by contacting the Company Secretary at lauren.kelso@rclfoods.com or on 031 242 8600.

Yours faithfully

JJ Durand
Non-executive Chairman

REPORT OF THE AUDIT COMMITTEE

for the year ended June 2022

This report sets out how the Audit Committee discharged its responsibilities during the financial year ended June 2022 as required in terms of section 94 of the Companies Act of South Africa (the Companies Act).

MANDATE AND TERMS OF REFERENCE

The responsibilities of the Audit Committee are incorporated into the Committee's charter which is reviewed annually and approved by the Board. The committee has conducted its affairs in compliance with this charter and has discharged its responsibilities contained therein.

A copy of the charter can be found on our website at www.rclfoods.com/governance/corporate-governance/governance-documents

AUDIT COMMITTEE MEMBERSHIP AND RESOURCES

The Audit Committee consists of four independent non-executive directors, and the Chairman of the Risk Committee *(ex-officio)*, Mr GC Zondi. Mrs CJ Hess is the Chairperson of the Committee. All members of the Committee have the requisite financial literacy, knowledge and commercial skills and experience to contribute effectively to committee deliberations.

The Committee met four times during the year as per the Audit Committee charter. The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Internal Audit Director (IAD), Finance Director (FD) and the external audit partner attend meetings by invitation. Other members of the Board and management team attend as required. The Committee meets separately with the external and internal auditors at least once a year without management present, to ensure that all relevant matters have been identified and discussed without undue influence.

Members		Appointed	26/08/2021	03/09/2021	24/02/2022	23/06/2022
CJ Hess[1]	BCom, PGDA, CA(SA)	**June 2018**	**Present**	**Present**	**Present**	**Present**
NP Mageza	ACCA (UK)	**September 2009**	**Present**	**Present**	**Present**	**Present**
DTV Msibi	BBusSc, BCom (Hons), MCom, CA(SA)	**August 2013**	**Present**	**Present**	**Present**	**Present**
GM Steyn	BA (LLB)	**March 2019**	**Present**	**Apology**	**Present**	**Present**
GC Zondi[2]	BCompt (Hons), AGA(SA)	**July 2018**	**Present**	**Present**	**Present**	**Present**

[1] *Committee Chairperson.*
[2] *Ex officio member.*

ELECTION OF COMMITTEE MEMBERS

In terms of section 94(2) of the Companies Act, it was resolved at the Annual General Meeting held on 16 November 2021 that CJ Hess, NP Mageza, DTV Msibi and GM Steyn be re-appointed as members of the Audit Committee until the next Annual General Meeting on 9 November 2022.

REPORT OF THE AUDIT COMMITTEE CONTINUED

ROLES AND RESPONSIBILITIES

The Audit Committee's roles and responsibilities include its statutory duties per the Companies Act and the responsibilities assigned to it by the Board. The Audit Committee fulfils an oversight role regarding integrated reporting, ensures application of the combined assurance model, reviews the finance function, forms an integral component of the risk management process and provides oversight of both external audit and internal audit.

The Audit Committee has discharged its key responsibilities as follows:

- Reviewed the interim results, year-end financial statements and Integrated Annual Report, in the course of its review, the Committee:
  - Took appropriate steps to ensure that the financial statements are prepared in accordance with International Financial Reporting Standards (IFRS);
  - Considered and, when appropriate, made recommendations on financial statements, accounting practices and internal financial controls;
  - Ensured that the Group has established appropriate financial reporting procedures and that those procedures operate effectively;
  - Ensured that sustainability disclosures did not conflict with the financial information;
  - Took into consideration the process of proactive monitoring of financial statements for compliance with IFRS in terms of the JSE proactive monitoring report;
- Provide oversight in respect of financial reporting risks, internal financial controls, fraud risk and IT risk as it relates to financial reporting;
- Confirmed the Internal Audit charter, internal audit plan and delegation of authority;
- Reviewed the appropriateness of the combined assurance model in addressing all significant risks facing the Group;
- Considered and recommended to the Board the appointment, retention and rotation of external auditors, and the external audit partner, in line with applicable legislation;
- Approved the audit fees and engagement terms of the external auditors; and
- Determined the nature and extent of allowable non-audit services, and approved the terms for the provision of non-audit services, by the external auditors.

EXPERTISE AND EXPERIENCE OF THE CFO AND FINANCE FUNCTION

The Audit Committee performed an assessment of the CFO, Robert Field, and the Finance function. Based on the 2022 assessment, the Audit Committee is satisfied that Robert Field and his management team have the appropriate expertise and experience to service the Group's Finance function. It further considered and satisfied itself of the overall appropriateness of the expertise and adequacy of resources of the Group's Finance function. The Annual Financial Statements were compiled under the supervision of Robert Field, CA(SA).

EXTERNAL AUDIT

PricewaterhouseCoopers Inc. (PwC) are the incumbent auditors for all the Group companies. The Committee continually monitors the independence and objectivity of the external auditors, and satisfied itself in relation to the ethical requirements. PwC was considered independent with respect to the Group as required by the Codes endorsed and administered by the Independent Regulatory Board for Auditors and the South African Institute of Chartered Accountants. The Committee has satisfied itself that the external auditors' appointment of Rodney Klute as designated auditor complies with the JSE Listings Requirements, and that he is within his tenure and rotation requirements.

The Committee has reviewed the external audit process and has satisfied itself with the performance of the external auditors.

During the period, PwC provided certain non-audit services, including tax services and agreed-upon procedures compliance audits. Total fees incurred during the 2022 financial year to PwC were R26,2 million (2021: R23,6 million) and R2,3 million (2021: R2,4 million) which related to non-audit services.

The Group has defined levels of authority which require final approval for all non-audit services by the Audit Committee.

The Audit Committee has nominated, for election at the Annual General Meeting, PwC as the external audit firm responsible for performing the functions of auditor for the 2023 financial year. The Audit Committee has requested the information detailed in section 22.15(h) of the JSE Listings Requirements from PwC. The Audit Committee has satisfied itself that the audit firm and the designated auditor are accredited as such on the JSE list of auditors and has considered the information provided by PwC in terms of section 22.15(h) of the JSE Listings Requirements in its assessment.

INTERNAL AUDIT

The Audit Committee is responsible for ensuring that the RCL FOODS' Internal Audit function is independent and has the necessary resources and authority to enable it to discharge its duties.

Internal Audit comprises a dedicated team of appropriately qualified and technically experienced personnel. Where necessary, certain audits are outsourced to consultants with appropriate skills and technical expertise. The activities of the Internal Audit function are co-ordinated by the Internal Audit Director (IAD). To ensure independence, the IAD reports functionally to the Audit Committee and, only from an administrative perspective, to the CEO. The Committee reviewed the performance of the IAD and was satisfied that he has the necessary expertise and experience to fulfil this role and that he had performed appropriately during the year under review.

INTERNAL FINANCIAL CONTROLS

The Committee is satisfied that the Group's system of internal financial controls is effective and forms a basis for the preparation of reliable financial statements. This is based on the review of the design, implementation and effectiveness of the Group's system of internal financial controls conducted by the Internal Audit function during the year under review, and reports made by the independent external auditors on the results of their audit, and management reports. No findings have come to the attention of the Committee to indicate that any material breakdown in internal controls has occurred during the past financial year.

GOING CONCERN ASSESSMENT

The Audit Committee reviewed a documented assessment by management of the going concern premise of the Company and Group before concluding to the Board that the Company and Group will be a going concern in the foreseeable future.

CJ Hess
Audit Committee Chairperson

2 September 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at

	3 July 2022 R'000	4 July 2021 R'000
ASSETS		
Non-current assets		
Property, plant and equipment	**6 362 040**	5 559 851
Right-of-use asset	**524 583**	1 105 221
Intangible assets	**1 602 581**	1 667 018
Investment in joint ventures	**307 135**	287 828
Investment in associates	**822 991**	853 866
Deferred income tax asset	**45 435**	99 742
Loans receivable	**31 095**	49 375
Investment in financial asset	**241 976**	214 138
Trade and other receivables	**26 289**	24 597
Goodwill	**1 885 590**	1 992 947
	11 849 715	11 854 583
Current assets		
Inventories	**3 147 177**	3 171 386
Biological assets	**1 231 829**	955 343
Trade and other receivables	**6 099 577**	5 427 265
Derivative financial instruments	**4 597**	62 979
Tax receivable	**18 997**	32 503
Cash and cash equivalents	**1 590 267**	896 969
	12 092 444	10 546 445
Assets of disposal group classified as held for sale	**33 135**	6 978
Total assets	**23 975 294**	22 408 006
EQUITY		
Capital and reserves	**11 389 332**	10 693 667
LIABILITIES		
Non-current liabilities		
Deferred income	**4 474**	
Interest-bearing liabilities	**1 538 829**	2 274 763
Lease liabilities	**730 482**	1 250 568
Deferred income tax liabilities	**1 040 157**	1 051 561
Retirement benefit obligations	**115 725**	106 900
Trade and other payables		461
	3 429 667	4 684 253
Current liabilities		
Trade and other payables	**7 800 799**	6 083 071
Deferred income	**2 768**	2 078
Interest-bearing liabilities	**1 111 475**	690 210
Lease liabilities	**155 130**	164 481
Derivative financial instruments	**2 018**	41 090
Current income tax liabilities	**58 629**	49 156
Bank overdraft	**24 459**	
	9 155 278	7 030 086
Liabilities of disposal group classified as held for sale	**1 017**	
Total liabilities	**12 585 962**	11 714 339
Total equity and liabilities	**23 975 294**	22 408 006

CONSOLIDATED INCOME STATEMENT

for the year ended June 2022

		June 2022 R'000	June 2021 R'000
Revenue from contracts with customers		**34 906 972**	31 687 850
Operating profit before depreciation, amortisation and impairments (EBITDA)[1,2]		**2 595 656**	2 409 135
Depreciation, amortisation and impairments[2]		**(989 841)**	(932 330)
Operating profit		**1 605 815**	1 476 805
Finance costs		**(311 622)**	(326 161)
Finance income		**40 396**	37 053
Share of profits of joint ventures		**38 904**	11 331
Share of profits of associates		**17 752**	135 553
Profit before tax		**1 391 245**	1 334 581
Income tax expense		**(413 561)**	(338 824)
Profit for the period		**977 684**	995 757
Attributable to:			
Equity holders of the Company		**1 013 361**	992 909
Non-controlling interests		**(35 677)**	2 848
HEADLINE EARNINGS			
Profit for the year attributable to equity holders of the Company		**1 013 361**	992 909
Profit on disposal of property, plant and equipment and assets held for sale		**(3 243)**	(18 225)
Insurance proceeds on fixed assets		**(662)**	(1 234)
Net impairments of fixed assets and intangible assets		**46 357**	7 070
Gain on deemed disposal of L&A			(16 396)
Change in ownership of associate		**(2 768)**	(2 298)
Loss/(profit) on disposal of property, plant and equipment included in equity accounted earnings of associates		**927**	(247)
Net impairments included in equity accounted earnings of associates			(1 858)
Gain on bargain purchase included in equity accounted earnings of associates			(1 582)
Headline earnings		**1 053 972**	958 139
Earnings per share attributable to equity holders of the company			
Basic earnings per share	(cents)	**114.0**	111.8
Basic earnings per share – diluted	(cents)	**113.1**	111.7
Headline earnings per share	(cents)	**118.6**	107.9
Headline earnings per share – diluted	(cents)	**117.6**	107.7

[1] *Includes net expected credit losses reversed on loans receivable and trade and other receivables of R63,1 million (2021: R24,1 million expected credit losses raised).*

[2] *Impairments relate only to impairments of property, plant and equipment, goodwill and intangible assets.*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended June 2022

	June 2022 R'000	June 2021 R'000
Profit for the period	**977 684**	995 757
Other comprehensive income		
Items that will not be reclassified to profit and loss		
Remeasurement of retirement medical obligations – net of tax	**(1 644)**	185
Share of associates other comprehensive income	**1 354**	543
Items that may subsequently be reclassified to profit and loss		
Currency translation differences	**2 446**	(12 279)
Other comprehensive income for the year – net of tax	**2 156**	(11 551)
Total comprehensive income for the year	**979 840**	984 206
Total comprehensive income for the year attributable to:		
Equity holders of the Company	**1 016 125**	981 358
Non-controlling interests	**(36 285)**	2 848
	979 840	984 206

CONSOLIDATED CASH FLOW INFORMATION

for the year ended June 2022

	June 2022 R'000	June 2021 R'000
Operating profit	**1 605 815**	1 476 805
Non-cash items	**667 323**	557 306
Operating profit before working capital requirements	**2 273 138**	2 034 111
Working capital requirements		
Movement in inventories	**30 185**	(176 336)
Movement in biological assets	**83 468**	127 612
Movement in trade and other receivables	**(669 384)**	550 872
Movement in trade and other payables	**1 710 504**	(908 834)
Cash generated by operations	**3 427 911**	1 627 425
Net finance cost	**(217 788)**	(216 592)
Tax paid	**(347 070)**	(335 127)
Cash available from operating activities	**2 863 053**	1 075 706
Dividend received	**70 421**	96 046
Dividend paid	**(402 876)**	(225 316)
Cash outflows from investing activities		
Replacement property, plant and equipment	**(686 045)**	(579 145)
Expansion property, plant and equipment	**(587 398)**	(320 582)
Intangible asset additions	**(27 240)**	(21 546)
Acquisition of businesses	**(7 024)**	(4 528)
Acquisition of associate		(155 949)
Advances of interest-bearing loans	**(2 998)**	(5 969)
Advances of non-interest-bearing loans		(5 274)
Receipts from loans	**13 277**	8 393
Proceeds on disposal of non-current assets held for sale	**12 455**	4 650
Proceeds on disposal of property, plant and equipment and intangible assets	**28 920**	37 169
Net cash outflow from investing activities	**(1 256 053)**	(1 042 781)
Cash outflows from financing activities		
Repayment of interest-bearing liabilities	**(758 465)**	(421 775)
Advances of interest-bearing liabilities	**152 609**	385 246
Net cash outflow from financing activities	**(605 856)**	(36 529)
Net movement in cash and cash equivalents	**668 689**	(132 874)
Cash and cash equivalents at the beginning of the year	**896 969**	1 030 041
Exchange rate translation	**150**	(198)
Cash and cash equivalents at the end of the year	**1 565 808**	896 969

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended June 2022

	Attributable to equity holders of the Company							
	Stated capital R'000	Share-based payments R'000	Other reserves R'000	Common control reserve R'000	Retained earnings R'000	Controlling interest total R'000	Non-controlling interest R'000	Total R'000
Balance at 28 June 2020	10 318 079	683 728	11 220	(1 919 832)	784 524	9 877 719	(55 743)	9 821 976
Profit for the year					992 909	992 909	2 848	995 757
Other comprehensive income for the year			(12 279)		728	(11 551)		(11 551)
B-BBEE share-based payments charge		17 600				17 600		17 600
Employee share option scheme:								
• Value of employee services		74 897				74 897		74 897
• Equity component of deferred tax on share-based payments		(2)				(2)		(2)
Shareholder loans converted to equity							17 701	17 701
Acquisition of business							2 605	2 605
Ordinary dividend paid					(222 066)	(222 066)	(3 250)	(225 316)
Balance at 4 July 2021	**10 318 079**	**776 223**	**(1 059)**	**(1 919 832)**	**1 556 095**	**10 729 506**	**(35 839)**	**10 693 667**
Profit/(loss) for the year					**1 013 361**	**1 013 361**	**(35 677)**	**977 684**
Other comprehensive income for the year			**3 054**		**(290)**	**2 764**	**(608)**	**2 156**
B-BBEE share-based payments charge		**9 694**				**9 694**		**9 694**
Employee share option scheme:								
• Value of employee services		**93 653**				**93 653**		**93 653**
• Equity component of deferred tax on share-based payments		**231**				**231**		**231**
• Exercise of employee share awards	**16 057**	**(16 057)**						
Shareholder loans converted to equity							**15 123**	**15 123**
Ordinary dividend paid					**(399 926)**	**(399 926)**	**(2 950)**	**(402 876)**
Balance at 3 July 2022	**10 334 136**	**863 744**	**1 995**	**(1 919 832)**	**2 169 240**	**11 449 283**	**(59 951)**	**11 389 332**

SUPPLEMENTARY INFORMATION

		June 2022 R'000	June 2021 R'000
Capital expenditure contracted and committed		**1 022 737**	513 988
Capital expenditure approved but not contracted		**361 511**	394 781
Additions due to replacement of property, plant and equipment		**(686 045)**	(579 145)
Additions due to expansion of property, plant and equipment		**(587 398)**	(320 582)
Intangible asset additions		**(27 240)**	(21 546)
Amount expensed as write-down to net realisable value		**17 666**	20 273
Statistics			
Statutory ordinary shares in issue (includes B-BBEE shares)	(000's)	**953 298**	959 004
Ordinary shares in issue for accounting purposes	(000's)	**889 468**	888 246
Weighted average ordinary shares in issue	(000's)	**888 700**	888 246
Diluted weighted average ordinary shares in issue	(000's)	**896 367**	889 274
Net asset value per share	(cents)	**1 280.5**	1 203.9
Ordinary dividends per share:			
Interim dividend paid	(cents)	**15.0**	15.0
Final dividend declared/paid	(cents)	**30.0**	30.0
Total dividends	(cents)	**45.0**	45.0

SEGMENTAL ANALYSIS

for the year ended June 2022

	June 2022 R'000	June 2021* R'000
Revenue from contracts with customers	**34 906 972**	31 687 850
RCL FOODS Value-Added Business	**21 221 726**	19 768 620
Groceries	**6 005 897**	5 521 971
Baking	**6 214 488**	5 848 982
Sugar	**9 001 341**	8 397 667
Rainbow	**11 384 801**	10 335 889
Vector Logistics	**3 691 934**	3 153 570
Group[1]	**189 707**	152 166
Sales between segments:		
Groceries sales to Baking	**(1 464)**	(356)
Groceries sales to Sugar	**(9 498)**	(14 824)
Groceries sales to Rainbow	**(132 627)**	(194 367)
Groceries sales to Group	**(940)**	
Baking sales to Groceries	**(146 198)**	(151 431)
Baking sales to Sugar	**(1 076)**	(1 253)
Baking sales to Rainbow	**(128 640)**	(113 523)
Sugar sales to Groceries	**(84 221)**	(82 214)
Sugar sales to Baking	**(53 132)**	(67 746)
Sugar sales to Rainbow	**(4 843)**	(1 609)
Sugar sales to Vector Logistics	**(209)**	
Rainbow sales to Groceries	**(25 747)**	(24 451)
Rainbow sales to Sugar	**(7 070)**	
Vector Logistics sales to Groceries	**(262 415)**	(249 267)
Vector Logistics sales to Baking	**(24 374)**	(16 739)
Vector Logistics sales to Sugar	**(32 255)**	(31 288)
Vector Logistics sales to Rainbow	**(666 487)**	(773 327)
Operating profit before depreciation, amortisation and impairments (EBITDA)[2]	**2 595 656**	2 409 135
RCL FOODS Value-Added Business	**1 854 933**	1 978 790
Groceries	**550 104**	557 843
Baking	**487 867**	520 586
Sugar	**816 962**	900 361
Rainbow	**347 111**	17 458
Vector Logistics	**334 684**	282 859
Group[3]	**78 364**	130 028
Unallocated restructuring costs[4]	**(19 436)**	
Depreciation, amortisation and impairments[5]	**(989 841)**	(932 330)
Operating profit	**1 605 815**	1 476 805
RCL FOODS Value-Added Business	**1 436 936**	1 542 894
Groceries	**304 289**	434 355
Baking	**315 441**	352 539
Sugar	**817 206**	756 000
Rainbow	**89 667**	(209 487)
Vector Logistics	**143 696**	72 832
Group[3]	**21 039**	70 566
Unallocated restructuring costs[4]	**(85 523)**	

[1] Group revenue relates to management fees earned for shared services performed for Siqalo Foods Proprietary Limited and the LIVEKINDLY Collective Africa Proprietary Limited.
[2] Includes net expected credit losses reversed on loans receivable and trade and other receivables of R63,1 million (2021: R24,1 million expected credit losses raised).
[3] Includes the operating costs of RCL Foods Limited and RCL Group Services Proprietary Limited (shared services component), losses/gains on the Group's self-insurance arrangement and profit from management fees earned on shared services functions for Siqalo Foods Proprietary Limited and LIVEKINDLY Collective Africa Proprietary Limited.
[4] Unallocated costs recognised as a result of the managed separation of the Rainbow business, due to the internal restructure.
[5] Impairments relate only to impairments of property, plant and equipment and intangible assets.
** The results for Rainbow in the comparative period have been restated to include the Group's Waste-to-Value operations, which now form part of the Rainbow business for segmental reporting purposes. The Waste-to-Value results were previously included as part of the Group segment.*

	June 2022 R'000	June 2021 R'000
Operating profit	**1 605 815**	1 476 805
Finance costs	**(311 622)**	(326 161)
Finance income	**40 396**	37 053
Share of profits of joint ventures	**38 904**	11 331
Sugar	**26 113**	1 832
Vector Logistics	**12 791**	9 499
Share of profits/(losses) of associates	**17 752**	135 553
Sugar	**29 226**	128 697
LIVEKINDLY Collective Africa	**(6 745)**	504
Ugandan Operation	**(4 729)**	5 646
Vector Logistics		706
Profit before tax	**1 391 245**	1 334 581

	3 July 2022 R'000	4 July 2021 R'000
ASSETS		
Groceries	**4 367 134**	4 353 071
Baking	**3 824 770**	3 645 596
Sugar	**4 685 752**	4 434 385
Rainbow	**5 804 772**	4 674 756
Vector Logistics	**5 816 064**	5 391 247
Unallocated Group assets[1]	**1 775 249**	1 205 546
LIVEKINDLY Collective Africa	**149 884**	156 289
Set-off of inter-segment balances	**(2 448 331)**	(1 452 884)
Total per statement of financial position	**23 975 294**	22 408 006
LIABILITIES		
Groceries	**1 365 025**	1 270 546
Baking	**1 104 193**	1 033 555
Sugar	**2 048 174**	1 650 210
Rainbow	**2 186 383**	1 731 652
Vector Logistics	**5 896 809**	4 606 620
Unallocated Group liabilities[1]	**2 433 709**	2 874 640
Set-off of inter-segment balances	**(2 448 331)**	(1 452 884)
Total per statement of financial position	**12 585 962**	11 714 339

[1] Includes assets and liabilities of the Group treasury company, shared services functions and consolidation entries.
** The balances for the comparative period has been restated to include the Group's Waste-to-Value operations, as part of the Rainbow business for segmental reporting purposes. The Waste-to-Value results were previously included as part of the Group segment.*

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS

for the year ended 3 July 2022

1. BASIS OF PREPARATION

The Abridged Consolidated Annual Financial Statements have been extracted from the Audited Annual Financial Statements for the year ended June 2022, available at *www.rclfoods.com/financial-results-and-reports-2022.* The Abridged Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the information required by IAS 34 *Interim Financial Reporting,* IFRIC interpretations, SAICA financial reporting guides and in compliance with the Companies Act of South Africa and the Listings Requirements of the JSE Limited, under the supervision of the Chief Financial Officer, Robert Field CA(SA). The accounting policies comply with IFRS and have been consistently applied to all years presented.

2. DIRECTORS' EMOLUMENTS

	Basic Salary R'000	Pension contribution R'000	Bonus[1] R'000	Other benefits[2] R'000	Total R'000
2022					
PD Cruickshank[3]	**4 203**	**343**		**131**	**4 677**
RH Field	**5 032**	**541**	**4 000**	**224**	**9 797**
M Dally[4]	**4 021**	**244**	**31 521**	**322**	**36 108**
	13 256	**1 128**	**35 521**	**677**	**50 582**
2021					
RH Field	4 858	525		598	5 981
M Dally	9 508	577		963	11 048
	14 366	1 102		1 561	17 029

[1] *Bonus payments made in 2022 relate to the 2021 financial year. An amount of R10,7 million has been accrued for the 2022 financial year.*
[2] *Other benefits include company contributions to disability insurance, medical aid and UIF.*
[3] *PD Cruickshank was appointed as Chief Executive Officer with effect from 1 December 2021. Remuneration disclosed is only included as post appointment date remuneration.*
[4] *M Dally retired as Chief Executive Officer and director of the Company on 30 November 2021.*

Non-executives (for services as a director)	2022 R'000	2021 R'000
HJ Carse[1]	**403**	390
JJ Durand[1]	**528**	511
CJ Hess	**864**	777
PR Louw[1]	**403**	390
NP Mageza	**772**	746
PM Moumakwa	**574**	516
DTV Msibi	**606**	548
GM Steyn	**821**	795
GCJ Tielenius Kruythoff	**351**	339
GC Zondi[2]	**914**	884
MM Nhlanhla (retired 16 November 2021)	**158**	412
RV Smither (retired 13 November 2020)		308
Total	**6 394**	6 616

[1] *Paid to Remgro Management Services Limited.*
[2] *Paid to Imbewu Capital Partners Consultancy Proprietary Limited.*

2. DIRECTORS' EMOLUMENTS CONTINUED

INTERESTS OF DIRECTORS OF THE COMPANY IN SHARE APPRECIATION RIGHTS AWARDED IN TERMS OF THE RCL FOODS SHARE APPRECIATION RIGHTS SCHEME

Share appreciation rights awarded to executive directors and unexpired or unexercised as at June 2022 are as follows:

	Award price post rights issue Rand	Rights at June 2021	Rights awarded during the year	Rights forfeited during the year	Rights at June 2022	Fair value of rights awarded[1] R'000	Rights exercisable at June 2022
PD Cruickshank[2]	**15.93**	**197 884**		**(197 884)**			
	15.92	**181 809**			**181 809**	**571**	**181 809**
	14.05	**704 282**			**704 282**	**2 155**	**704 282**
	15.36	**366 020**			**366 020**	**1 245**	**241 573**
	16.97	**323 507**			**323 507**	**1 417**	**106 757**
	9.93	**2 068 897**			**2 068 897**	**4 903**	
	8.55	**714 010**			**714 010**	**1 564**	
	12.65		**2 510 776**		**2 510 776**	**11 524**	
Subtotal		**4 556 409**	**2 510 776**	**(197 884)**	**6 869 301**	**23 379**	**1 234 421**
RH Field							
	15.93	**559 397**		**(559 397)**			
	15.92	**319 448**			**319 448**	**1 003**	**319 448**
	14.05	**1 087 325**			**1 087 325**	**3 327**	**1 087 325**
	15.36	**669 653**			**669 653**	**2 277**	**441 970**
	16.97	**620 061**			**620 061**	**2 716**	**204 620**
	9.93	**1 217 339**			**1 217 339**	**2 885**	
	8.55	**1 188 869**			**1 188 869**	**2 604**	
	12.65		**1 095 283**		**1 095 283**	**5 027**	
Subtotal		**5 662 092**	**1 095 283**	**(559 397)**	**6 197 978**	**19 839**	**2 053 363**
M Dally[3]							
	15.93	**1 014 820**		**(1 014 820)**			
	15.92	**540 869**			**540 869**	**1 698**	**540 869**
	14.05	**1 962 930**			**1 962 930**	**6 007**	**1 962 930**
	15.36	**1 284 422**			**1 284 422**	**4 367**	**847 718**
	16.97	**1 153 718**			**1 153 718**	**5 053**	**380 726**
	9.93	**2 189 069**			**2 189 069**	**5 188**	
	8.55	**2 168 330**			**2 168 330**	**4 749**	
Subtotal		**10 314 158**		**(1 014 820)**	**9 299 338**	**27 062**	**3 732 243**
Total		**20 532 659**	**3 606 059**	**(1 772 101)**	**22 366 617**	**70 280**	**7 020 027**

[1] *Fair value of rights awarded represents the total fair value of rights outstanding at the end of the year. This cost is expensed over the right's vesting period.*
[2] *PD Cruickshank was appointed as Chief Executive Officer with effect from 1 December 2021.*
[3] *M Dally retired as Chief Executive Officer and director of the Company on 30 November 2021.*

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS

for the year ended 3 July 2022

2. DIRECTORS EMOLUMENTS' CONTINUED

Share appreciation rights awarded to executive directors and unexpired or unexercised as at June 2021 are as follows:

	Award price post rights issue Rand	Rights at June 2020	Rights awarded during the year	Rights forfeited during the year	Rights at June 2021	Fair value of rights awarded[1] R'000	Rights exercisable at June 2021
M Dally							
	16.54	1 240 943		(1 240 943)			
	15.93	1 014 820			1 014 820	2 760	1 014 820
	15.92	540 869			540 869	1 698	540 869
	14.05	1 962 930			1 962 930	6 007	1 295 533
	15.36	1 284 422			1 284 422	4 367	423 859
	16.97	1 153 718			1 153 718	5 053	
	9.93	2 189 069			2 189 069	5 188	
	8.55		2 168 330		2 168 330	4 749	
Subtotal		9 386 771	2 168 330	(1 240 943)	10 314 158	29 822	3 275 081
RH Field							
	16.54	621 765		(621 765)			
	15.93	559 397			559 397	1 522	559 397
	15.92	319 448			319 448	1 003	319 448
	14.05	1 087 325			1 087 325	3 327	717 634
	15.36	669 653			669 653	2 277	220 985
	16.97	620 061			620 061	2 716	
	9.93	1 217 339			1 217 339	2 885	
	8.55		1 188 869		1 188 869	2 604	
Subtotal		5 094 988	1 188 869	(621 765)	5 662 092	16 334	1 817 464
Total		14 481 759	3 357 199	(1 862 708)	15 976 250	46 156	5 092 545

[1] *Fair value of rights awarded represents the total fair value of rights outstanding at the end of the year. This cost is expensed over the right's vesting period.*

INTERESTS OF DIRECTORS OF THE COMPANY IN STATED CAPITAL

The aggregate beneficial holdings as at June of those directors of the Company holding issued ordinary shares are detailed below:

	2022 Direct beneficial	2022 Indirect beneficial	2021 Direct beneficial	2021 Indirect beneficial
Executive directors				
PD Cruickshank	**447 811**			
RH Field	**1 675 030**		1 675 030	28 013
M Dally			3 194 457	
Non-executive directors				
NP Mageza		**386**		386
MM Nhlanhla[1]				229 559
GC Zondi[1]		**667 252**		667 252
	2 122 841	**667 638**	4 869 487	925 210

[1] *Assumes 100% vesting in terms of B-BBEE transaction.*

There has been no change in the interest of the directors in the stated capital of the Company since the end of the financial year to the date of this report.

The above interests of directors represents the aggregate interests of directors. No interest is held by a director's associate.

2. DIRECTORS' EMOLUMENTS CONTINUED

DIRECTORS' EMOLUMENTS PAID BY REMGRO LIMITED

	Fees R'000	Salaries R'000	Retirement fund R'000	Other benefits[1] R'000	Total R'000
June 2022					
Executive					
HJ Carse		**2 529**	**501**	**321**	**3 351**
JJ Durand	**390**	**12 107**	**2 479**	**418**	**15 394**
PR Louw		**3 037**	**598**	**432**	**4 067**
Subtotal	**390**	**17 673**	**3 578**	**1 171**	**22 812**
Independent non-executive					
NP Mageza	**620**				**620**
Subtotal	**620**				**620**
Total	**1 010**	**17 673**	**3 578**	**1 171**	**23 432**
June 2021					
Executive					
HJ Carse		2 426	481	349	3 256
JJ Durand	390	11 596	2 377	441	14 804
PR Louw		2 912	578	411	3 901
Subtotal	390	16 934	3 436	1 201	21 961
Independent non-executive					
NP Mageza	678				678
Subtotal	678				678
Total	1 068	16 934	3 436	1 201	22 639

[1] *Other benefits include medical aid contributions and vehicle benefits.*

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS

for the year ended 3 July 2022

2. DIRECTORS' EMOLUMENTS CONTINUED

VARIABLE PAY – LONG-TERM INCENTIVE PLANS

Remgro Equity Settled Share Appreciation Right Scheme (SARs) – 2022

Participant	Balance of SARs accepted as at June 2021	SARs accepted during the period	Offer date	Offer price Rand	Number of SARs exercised/ (forfeited)	Date exercising/ forfeiting SARs	Balance of SARs accepted as at June 2022	Fair value of SARs granted[1] R'000
Executive								
HJ Carse	7 546			94.22			7 546	295
	11 767			127.40			11 767	202
	17 775			164.57			17 775	88
	8 273			170.38			8 273	35
	9 988			125.95			9 988	145
	16 972			118.86			16 972	470
	5 915			112.38			5 915	218
	28 996			93.82			28 996	1 613
		11 172	2021/12/05	126.99			11 172	550
JJ Durand	271 258			94.22			271 258	10 614
	93 128			127.40			93 128	1 597
	108 468			164.57			108 468	535
	192 676			170.38			192 676	823
	150 872			125.95			150 872	2 193
	132 309			118.86			132 309	3 662
	87 135			112.38	(87 135)	2021/12/06		
	470 881			93.82			470 881	26 191
		181 378	2021/12/05	126.99			181 378	8 937
PR Louw	22 646			94.22			22 646	886
	12 944			127.40			12 944	222
	5 952			164.57			5 952	29
	9 497			170.38			9 497	41
	91 120			125.95			91 120	1 325
	20 301			118.86			20 301	562
	17 881			112.38	(17 881)	2021/12/06		
	92 876			93.82			92 876	5 166
		35 796	2021/12/05	126.99			35 796	1 764
Total	1 887 176	228 346			(105 016)		2 010 506	68 163

[1] *Fair value of rights awarded represents the total fair value of all rights outstanding at the end of the year. This cost is expensed over the rights' vesting period.*

2. DIRECTORS' EMOLUMENTS CONTINUED

VARIABLE PAY – LONG-TERM INCENTIVE PLANS CONTINUED

Remgro Equity Settled Share Appreciation Right Scheme (SARs) – 2021

Participant	Balance of SARs accepted as at June 2020	SARs accepted during the period	Offer date	Offer price Rand	Balance of SARs accepted as at June 2021	Fair value of SARs granted[1] R'000
Executive						
HJ Carse	7 546			94.22	7 546	206
	11 767			127.40	11 767	174
	17 775			164.57	17 775	154
	8 273			170.38	8 273	67
	9 988			125.95	9 988	150
	16 972			118.86	16 972	317
	5 915			112.38	5 915	177
		14 494	05/12/2020	93.82	14 494	575
		14 502	05/12/2020	93.82	14 502	600
JJ Durand	271 258			94.22	271 258	7 408
	93 128			127.40	93 128	1 374
	108 468			164.57	108 468	938
	192 676			170.38	192 676	1 553
	150 872			125.95	150 872	2 267
	132 309			118.86	132 309	2 468
	87 135			112.38	87 135	2 601
		235 427	05/12/2020	93.82	235 427	9 339
		235 454	05/12/2020	93.82	235 454	9 737
PR Louw	22 646			94.22	22 646	618
	12 944			127.40	12 944	191
	5 952			164.57	5 952	51
	9 497			170.38	9 497	77
	91 120			125.95	91 120	1 369
	20 301			118.86	20 301	379
	17 881			112.38	17 881	534
		46 428	05/12/2020	93.82	46 428	1 842
		46 448	05/12/2020	93.82	46 448	1 921
Total	1 294 423	592 753			1 887 176	47 087

[1] *Fair value of rights awarded represents the total fair value of all rights outstanding at the end of the year. This cost is expensed over the rights' vesting period.*

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS

for the year ended 3 July 2022

2. DIRECTORS' EMOLUMENTS CONTINUED

Remgro Equity Settled Conditional Share Plan (CSPs) – 2022

Participant	Balance of CSPs accepted as at June 2021	CSPs accepted during the period	Offer date	Offer price Rand	Number of CSPs vested/ (forfeited)	Date vested/ forfeited CSPs	Balance of CSPs accepted as at June 2022	Fair value of CSPs[1] R'000
Executive								
HJ Carse	8 154			205.07	(8 154)	2021/12/06		
	31 658			93.82			31 658	3 827
		11 172	2021/12/05	126.99			11 172	1 370
JJ Durand	120 107			205.07	(120 107)	2021/12/06		
	566 553			93.82			566 553	65 555
		181 379	2021/12/05	126.99			181 379	22 240
PR Louw	24 648			205.07	(24 648)	2021/12/06		
	100 864			93.82			100 864	12 224
		35 796	2021/12/05	126.99			35 796	4 389
Total	851 984	228 347			(152 909)		927 422	109 605

Remgro Equity Settled Conditional Share Plan (CSPs) – 2021

Participant	Balance of CSPs accepted as at June 2020	CSPs accepted during the period[2]	Offer date[2]	Offer price Rand	Balance of CSPs accepted as at June 2021	Fair value of CSPs[1] R'000
Executive						
HJ Carse	8 154			205.07	8 154	895
		31 658	05/12/2020	93.82	31 658	3 327
JJ Durand	120 107			205.07	120 107	13 177
		566 553	05/12/2020	93.82	566 553	59 866
PR Louw	24 648			205.07	24 648	2 704
		100 864	05/12/2020	93.82	100 864	10 595
Total	152 909	699 075			851 984	90 564

[1] *Fair value of rights awarded represents the total fair value of all rights outstanding at the end of the year. This cost is expensed over the rights' vesting period.*
[2] *As a result of RMB Holdings unbundling, additional CSPs were allocated during the year over a period.*

	2022 R'000	2021 R'000
3. FINANCE COSTS		
Interest – financial institutions	**150 047**	136 936
Fair value adjustment on interest rate collar option	**3 667**	(3 036)
Transaction costs on term-funded debt	**1 014**	1 462
Interest – Holding company, joint ventures and associates	**21 585**	27 552
Interest on lease liabilities	**79 428**	119 248
Interest – other	**55 881**	43 999
	311 622	326 161
4. INTEREST-BEARING LIABILITIES		
Long-term		
Institutional borrowings	**27 473**	29 984
Loan from Facility for Investments in Renewable Small Transactions (RF) Proprietary Limited	**142 585**	73 023
Lease liabilities	**730 482**	1 250 568
Term-funded debt package	**1 225 000**	2 012 500
Loan from Siphumelele Tenbosch Trust		7 476
Loan from Matsamo Communal Property Association		1 780
Loan from Inclusive Farming Partnership Proprietary Limited	**27 104**	
Loans from Akwandze Agricultural Finance Proprietary Limited	**116 667**	150 000
	2 269 311	3 525 331
Short-term		
Institutional borrowings	**2 511**	2 511
Lease liabilities	**155 130**	164 481
Loan from Facility for Investments in Renewable Small Transactions (RF) Proprietary Limited	**11 370**	3 362
Current portion of Term-funded debt package	**787 500**	337 500
Loan from Green Create W2V SA Proprietary Limited	**94 578**	102 600
Current portion of long-term loan from Akwandze Agricultural Finance Proprietary Limited	**33 334**	33 366
Current portion of long-term loan from Inclusive Farming Partnership Proprietary Limited	**3 326**	
Short-term loans from Akwandze Agricultural Finance Proprietary Limited	**178 856**	210 871
	1 266 605	854 691

INSTITUTIONAL BORROWINGS

Institutional borrowings are loans from Futuregrowth Asset Management Proprietary Limited with a carrying value in non-current liabilities of R27,5 million (2021: R30,0 million) and an amount of R2,5 million included in short-term institutional borrowings (2021: R2,5 million). These loans were used to fund certain contract grower operations in the Rainbow business unit. These loans bear interest at the three-month JIBAR with a margin of between 1.5 % and 4.25% per annum (2021: 1.5% and 4.25% per annum). The outstanding loan together with the accrued interest is required to be repaid in instalments based on the contract growers operating cycle at intervals of between 40 to 50 days between payments.

The carrying amount of bank borrowings approximates its fair value.

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS

for the year ended 3 July 2022

4. INTEREST-BEARING LIABILITIES CONTINUED

LOAN FROM GREEN CREATE W2V SA PROPRIETARY LIMITED

Green Create W2V SA Proprietary Limited is a 50% shareholder in Matzonox Proprietary Limited which houses the Group's Waste-to-Value operations.

Green Create W2V SA Proprietary Limited has provided finance related to the construction of a Waste-to-Value plant in Rustenburg.

Borrowings with a carrying value of R94,6 million (2021: R102,6 million) are included in current liabilities.

The loan is unsecured. Interest accrues at the prime rate plus 5% per annum. The loan is repayable by December 2022.

The funding to Matzonox Proprietary Limited has been provided in equal proportions by Green Create W2V SA Proprietary Limited and the RCL FOODS Group.

The Group's portion of the funding (R94,6 million) has been eliminated on consolidation.

The carrying amount of the loan approximates its fair value.

LOANS FROM FACILITY FOR INVESTMENTS IN RENEWABLE SMALL TRANSACTIONS (RF) PROPRIETARY LIMITED

During 2020 a loan from the Facility for Investments in Renewable Small Transactions (RF) Proprietary Limited (FIRST) was obtained in Matzonox Proprietary Limited. FIRST is a debt funding platform created through a partnership between international development funding and a South African commercial bank to unlock funding for small renewable projects.

This loan accrues interest at three-month JIBAR plus 4.08%. The loan is repayable quarterly over a ten-year term.

The loan is secured by:

- A notarial bond registered over the Worcester Waste-to-Value Plant.
- Certain bank accounts held with First National Bank (Debt-service and Maintenance Reserve Accounts).
- The shares held by shareholders in Matzonox Proprietary Limited.

The carrying amount of the loan of approximates its fair value with a carrying value in non-current liabilities of R69,1 million (2021: R73,0 million) and an amount of R3,9 million included in short-term borrowings (2021: R3,4 million).

During the current year a further loan from the FIRST was obtained in Matzonox Proprietary Limited.

This loan accrues interest at three-month JIBAR plus 3.95%. The loan is repayable quarterly over a ten-year term. The loan is secured by:

- A notarial bond registered over the Rustenburg Waste-to-Value Plant.
- Certain bank accounts held with First National Bank (Debt-service and Maintenance Reserve Accounts).
- The shares held by shareholders in Matzonox Proprietary Limited.

The carrying amount of the loan of approximates its fair value with a carrying value in non-current liabilities of R73,5 million and an amount of R7,5 million included in short-term borrowings.

4. INTEREST-BEARING LIABILITIES CONTINUED

TERM-FUNDED DEBT PACKAGE

During the 2019 financial year. the Group restructured its term-funded debt package. The restructuring resulted in the existing loan of R2,85 billion being replaced with a R2,35 billion debt package.

The debt package has a five-year term expiring in December 2023, with interest at a rate of three-month JIBAR plus a margin of between 1.5% to 1.55%.

The details of the loans and the effective interest rate for the year is shown below:

	Amount R'000	Term years	Effective interest rate %
Type			
Facility A	**1 006 250**	**5 years**	**6.04%**
Facility B	**1 006 250**	**5 years**	**6.00%**
Total	**2 012 500**		

The loan profile for each financial year ended is as follows:

Financial year-ending	Capital repayments R'000	Balance
4 July 2021		**2 350 000**
3 July 2022	**(337 500)**	**2 012 500**
2 July 2023	**(787 500)**	**1 225 000**
30 June 2024	**(1 225 000)**	

In the event of default on the term-funded debt package, the applicable interest rate will be increased by 2.0% until the default no longer exists. The terms of the term-funded debt package require lender pre-approval for the following, but not limited to, specified events:

- Any acquisition where the entity to be acquired does not have a positive 12-month EBITDA and cash flow, and the purchase price is in excess of R500,0 million;
- Any loan or financial support to a community-based joint venture (as defined) as well as Akwandze Agricultural Finance Proprietary Limited is in excess of R1 350,0 million during the term of the debt package;
- More than three dividends paid in a financial year;
- Entering into acquisitions and the payment of dividends requires the Group to meet the financial covenants specified in the term-funded debt package agreement both immediately after the proposed transaction and on a look-forward basis for the next interim and year-end reporting date after the proposed transaction; and
- In addition, there are various transactions in the normal course of business which require that the Group remain within the specified financial covenants.

The term-funded debt package requires that the Group comply with the following financial covenants:

	June 2022	June 2021
Senior leverage ratio	**<3.00:1**	<3.00:1
Senior interest cover ratio	**>3.50:1**	>3.50:1

For the year ended June 2022 the Group was within the limits of its financial covenants.

The obligations in respect of the debt package discussed above, have been guaranteed by each of Foodcorp Proprietary Limited, RCL FOODS Treasury Proprietary Limited, RCL FOODS Sugar & Milling Proprietary Limited, RCL FOODS Consumer Proprietary Limited, Rainbow Farms Investments Proprietary Limited, RCL Group Services Proprietary Limited and Vector Logistics Proprietary Limited.

4. INTEREST-BEARING LIABILITIES CONTINUED

The above loans of the term-funded debt package are unsecured.

The fair value of the term-funded debt package at June 2022 amounted to R2,04 billion (2021: R2,35 billion). The fair value is calculated by discounting the future cash flows over the period of the loan and is within level 2 of the fair value hierarchy. The discount rate is based on the South African Sovereign Zero-Coupon Swap Curve with the contractual margin charged by the lenders as a credit spread.

LOAN FROM SIPHUMELELE TENBOSCH TRUST

During previous financial years. loans were granted to Mgubho Farming Services Proprietary Limited from Siphumelele Tenbosch Trust. Siphumelele Tenbosch Trust owns the land which Mgubho Farming Services Proprietary Limited leases for its farming activities and is a 50% shareholder of Mgubho Farming Services Proprietary Limited.

During the current financial year, the loans payable to Siphumelele Tenbosch Trust were converted to equity.

The funding to Mgubho Farming Services Proprietary Limited was provided in equal proportions by Siphumelele Tenbosch Trust and the RCL FOODS Group. The Group's portion of the funding was also converted to equity in the current year and has been eliminated on consolidation.

The carrying amount of these loans approximate their fair values.

LOAN FROM MATSAMO COMMUNAL PROPERTY ASSOCIATION

During previous financial years. loans were granted to Sivunosetfu Proprietary Limited from Matsamo Communal Property. Matsamo Communal Property owns the land which Sivunosetfu Proprietary Limited leases for its farming activities and is a 50% shareholder of Sivunosetfu Proprietary Limited.

During the current financial year, the loans payable to Matsamo Communal Property Association were converted to equity.

The funding to Sivunosetfu Proprietary Limited was provided in equal proportions by Matsamo Communal Property Association and the RCL FOODS Group. The Group's portion of the funding was also converted to equity in the current year and has been eliminated on consolidation.

The carrying amount of these loans approximate their fair values.

LOANS FROM AKWANDZE AGRICULTURAL FINANCE PROPRIETARY LIMITED

Akwandze Agricultural Finance Proprietary Limited is a joint venture of the Group. Akwandze Agricultural Finance Proprietary Limited provides production finance and management services to sugar cane-growers. Certain funding has been channelled through the Group to small-scale growers.

The long-term loans amounting to R150,0 million (2021: R183,4 million) from Akwandze Agricultural Finance Proprietary Limited capital portion is repayable half-yearly over a period of six years in equal instalments while interest is payable quarterly. The loan bears interest at a prime interest rate less 1% per annum.

The R150,0 million financing facility from Akwandze Agricultural Finance Proprietary Limited bears interest at prime rate less 1%. The facility is repayable on demand.

These loans have been guaranteed by RCL Foods Sugar & Milling Proprietary Limited.

The short-term loan amounting to R28,9 million (2021: R60,9 million) from Akwandze Agricultural Finance Proprietary Limited is unsecured, payable on demand and bear interest at a variable rate of 3.65% (2021: 3.55%) per annum.

The carrying amount of these loans approximates their fair values.

LOANS FROM INCLUSIVE FARMING PARTNERSHIP PROPRIETARY LIMITED

During the current financial year. a loan of R36,0 million loan was granted by Inclusive Farming Partnership Proprietary Limited. The capital portion of the loan is repayable annually over a period of eight years in equal instalments and interest is payable annually. The loan bears interest at 3% per annum. The loan was revalued at a fair value interest rate of 7.25% per annum and the corresponding deferred income of R5,6 million was recognised in the statement of financial position at year-end.

The carrying amount of these loans approximates their fair values.

5. RELATED PARTY TRANSACTIONS

Related party relationships exist between RCL Foods Limited, its subsidiaries. associates, joint ventures and Remgro Limited and its subsidiaries, associates and joint ventures. Remgro Management Services Limited provides treasury services to the Group.

The ultimate controlling party of the Group is Remgro Limited.

GROUP

As detailed in note 1 to the Company financial statements included in the Annual Financial Statements for the year ended June 2022, available at www.rclfoods.com/financial-results-and-reports-2022, the Group has concluded certain lending transactions with these related parties. In addition the following transactions were concluded:

	2022 R000	2021 R000
Transactions and balances with ultimate holding company		
Administration and other fees paid	**25 860**	24 723
Service fees received	**1 010**	4 408
Other expenses paid	**492**	545
Amounts owing to the holding company included in trade and other payables	**7 527**	2 547
Amounts owing by the holding company included in trade and other receivables		1 259
Directors' fees	**1 334**	1 291
Transactions and balances with subsidiaries of the holding Company		
Sales	**491 714**	539 147
Purchases	**2 617**	139
Amounts owing by subsidiaries of the holding company included in trade and other receivables	**91 788**	67 634
Amounts owing to subsidiaries of the holding company included in trade and other payables	**784 228**	385 876
Transactions and balances with associates of the holding company		
Purchases	**78 722**	110 467
Sales	**6 730**	4 961
Amounts owing by associates of the holding company included in trade and other payables	**17 880**	7 804
Amounts owing to associates of the holding company included in trade and other receivables	**1 299**	287
Transactions and balances with associates and joint ventures within the Group		
Interest paid	**21 585**	20 462
Interest received	**1 638**	2 553
Management fees received	**1 368**	1 448
Service fees paid	**10 144**	12 257
Dividends received	**70 420**	96 046
Sales	**147 541**	118 222
Purchases	**1 219 984**	1 435 927
Amounts owing by associates and joint ventures within the Group included in trade and other receivables	**24 817**	15 942
Amounts owing to associates and joint ventures within the Group included in non-current interest-bearing liabilities	**116 667**	159 256
Amounts owing to associates and joint ventures within the Group included in current interest-bearing liabilities	**212 190**	244 237
Amounts owing to associates and joint ventures within the Group included in trade and other payables	**160 799**	126 625

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS

for the year ended 3 July 2022

5. RELATED PARTY TRANSACTIONS CONTINUED

	2022 R000	2021 R000
Key management of RCL Foods Limited		
The following transactions were carried out with key management individuals within the Group:		
In terms of IAS 24 *Related Party Disclosures,* key management are considered to be related parties.		
Executive management and the senior leadership team are classified as key management:		
– short-term employee benefits	**733 002**	518 554
– post-employment benefits	**50 238**	44 881
– termination benefits	**6 259**	10 772
– share-based payments settled	**16 057**	
– share-based payments expense	**93 653**	74 897
Total	**899 209**	649 104

NOTICE TO SHAREHOLDERS

RCL FOODS LIMITED

(Incorporated in the Republic of South Africa)
Registration number: 1966/004972/06
Share code: RCL
ISIN: ZAE000179438
("RCL FOODS" or "the Company" or "the Group")

Notice is hereby given that the 56th Annual General Meeting of shareholders of RCL Foods Limited will be held at Ten The Boulevard, Westway Office Park, Westville, KwaZulu-Natal on Wednesday, 9 November 2022 at 08:30am to consider and, if deemed fit, to pass the following ordinary and special resolutions with or without modification, and to transact such other business as may be transacted at an Annual General Meeting.

In terms of section 59(1)(a) of the South African Companies Act, No 71 of 2008, as amended, ("the Companies Act") the record date for the purpose of determining which shareholders of the Company are entitled to receive notice of the Annual General Meeting is Friday, 16 September 2022. In terms of section 59(1)(b) of the Companies Act, the record date for the purpose of determining which shareholders of the Company are entitled to participate in and vote at the Annual General Meeting is Friday, 4 November 2022. Accordingly, the last day to trade in order to be registered in the register of members of the Company and therefore be eligible to participate in and vote at the Annual General Meeting is Tuesday, 1 November 2022.

ORDINARY RESOLUTIONS

1. ADOPTION OF ANNUAL FINANCIAL STATEMENTS

ORDINARY RESOLUTION NUMBER 1

Resolved that the audited Annual Financial Statements of the Company and the Group, including the Report of the Directors, Report of the Audit Committee and Independent Auditor's Report, for the year ended June 2022 be received and adopted.

2. ELECTION AND RE-ELECTION OF DIRECTORS

ORDINARY RESOLUTION NUMBER 2.1

Resolved that Mr HJ Carse, who retires by rotation in accordance with the Memorandum of Incorporation of the Company and who, being eligible, has offered himself for re-election, be re-elected as a non-executive director of the Company.

ORDINARY RESOLUTION NUMBER 2.2

Resolved that Mr RH Field, who retires by rotation in accordance with the Memorandum of Incorporation of the Company and who, being eligible, has offered himself for re-election, be re-elected as an executive director of the Company.

ORDINARY RESOLUTION NUMBER 2.3

Resolved that Mr NP Mageza, who retires by rotation in accordance with the Memorandum of Incorporation of the Company and who, being eligible, has offered himself for re-election, be re-elected as a non-executive director of the Company.

ORDINARY RESOLUTION NUMBER 2.4

Resolved that Mr GCJ Tielenius Kruythoff, who retires by rotation in accordance with the Memorandum of Incorporation of the Company and who, being eligible, has offered himself for re-election, be re-elected as a non-executive director of the Company.

ORDINARY RESOLUTION NUMBER 2.5

Resolved that Mr PD Cruickshank, having been appointed since the last Annual General Meeting, be elected as an executive director of the Company.

Note: Mrs CJ Hess, who retires by rotation in accordance with the Memorandum of Incorporation of the Company, has indicated that she will not be making herself available for re-election, and will step down as a director at the conclusion of the AGM.

Biographical details of the above directors can be found on pages 58 to 59 of this Abridged Integrated Annual Report, of which this notice forms part.

3. RE-APPOINTMENT OF EXTERNAL AUDITORS

ORDINARY RESOLUTION NUMBER 3

Resolved that the re-appointment of PricewaterhouseCoopers Incorporated as the Company's auditors, as nominated by the Company's Audit Committee, be approved. In accordance with the tenure and rotation requirements, to note that the individual registered auditor during the financial year ending June 2023 is Mr Rodney Klute.

EXPLANATION

Subject to the passing of this resolution the incumbent external auditors, PricewaterhouseCoopers Incorporated will continue to act as external auditors of the Company for the financial year ending June 2023. Shareholders are reminded that at the 2021 Annual General Meeting, a non-binding advisory vote was passed endorsing the potential appointment of Ernst & Young as the Company's auditors for the financial year ending June 2024, as required by the rule relating to Mandatory Audit Firm Rotation. Should the Audit Committee ultimately make the recommendation to appoint Ernst & Young, the matter will be included to be voted on at the Company's Annual General Meeting in 2023.

4. ELECTION OF MEMBERS OF THE AUDIT COMMITTEE

ORDINARY RESOLUTION NUMBER 4.1

Resolved that, subject to re-election under Ordinary Resolution 2.3, Mr NP Mageza, an independent non-executive director of the Company, be re-elected as a member of the Audit Committee until the next Annual General Meeting.

ORDINARY RESOLUTION NUMBER 4.2

Resolved that, Mr DTV Msibi, an independent non-executive director of the Company, be re-elected as a member of the Audit Committee until the next Annual General Meeting.

ORDINARY RESOLUTION NUMBER 4.3

Resolved that, Mr GM Steyn, an independent non-executive director of the Company, be re-elected as a member of the Audit Committee until the next Annual General Meeting.

Note: As indicated under ordinary resolution 2, Mrs CJ Hess will not be making herself available for re-election as a director, and as a consequence will not be available for re-election to the Audit Committee.

5. GENERAL AUTHORITY TO PLACE 10% OF THE UNISSUED ORDINARY SHARES UNDER THE CONTROL OF THE DIRECTORS

ORDINARY RESOLUTION NUMBER 5

Resolved that the unissued ordinary shares in the authorised share capital of the Company be placed under the control of the directors, who are hereby authorised, as a general authority in terms of the Company's Memorandum of Incorporation, to issue such shares at such times and upon such terms and conditions as they in their sole discretion may determine, subject to the provisions of the Companies Act, the Memorandum of Incorporation and the JSE Listings Requirements to the extent applicable, provided that this approval shall be valid only until the next Annual General Meeting of the Company and that the aggregate number of ordinary shares to be allotted and issued in terms of this ordinary resolution number 5 is limited to 10% of the number of the unissued ordinary shares in the authorised share capital of the Company at the date of this notice of Annual General Meeting (being 104 670 163 ordinary shares).

EXPLANATION

Clause 6.7 of the Memorandum of Incorporation provides that the Board may resolve to issue authorised shares, but only to the extent that such issue has been approved by the shareholders in a general meeting, either by way of a general or specific authority. The purpose of Ordinary Resolution Number 5 is to provide such general authority, which shall remain subject to the provisions of, and all limitations contained in, the Companies Act, the Memorandum of Incorporation and the JSE Listings Requirements, to the extent applicable. The authority in terms of Ordinary Resolution Number 5 cannot be used to issue shares for cash as contemplated in the JSE Listings Requirements.

6. ENABLING RESOLUTION

ORDINARY RESOLUTION NUMBER 6

Resolved that any director of the Company and/or the Company Secretary be and is hereby authorised to do all such things and sign all such documents as may be necessary for or incidental to the implementation of any of the ordinary and special resolutions adopted at the meeting.

7. NON-BINDING ADVISORY VOTE IN RESPECT OF THE REMUNERATION POLICY

ORDINARY RESOLUTION NUMBER 7

Resolved that the Remuneration Policy, as described in the Remuneration Report on pages 5 and 15, available on our website at www.rclfoods.com/financial-results-and-reports-2022, is hereby endorsed by way of a non-binding advisory vote, as recommended in the King IV Report on Corporate Governance for South Africa 2016 (King IV).

8. NON-BINDING ADVISORY VOTE IN RESPECT OF THE REMUNERATION IMPLEMENTATION REPORT

ORDINARY RESOLUTION NUMBER 8

Resolved that the Implementation Report contained in the Remuneration Report on pages 16 to 18, available on our website at www.rclfoods.com/financial-results-and-reports-2022, is hereby endorsed by way of a non-binding advisory vote, as recommended in King IV.

SPECIAL RESOLUTIONS

1. GENERAL AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE IN TERMS OF SECTION 44 OF THE COMPANIES ACT

SPECIAL RESOLUTION NUMBER 1

Resolved as a special resolution (which will be in place for a period of two years from the date of adoption of this special resolution number 1) that the Board may, subject to section 44 of the Companies Act, the Memorandum of Incorporation of RCL FOODS and the JSE Listings Requirements, authorise RCL FOODS to provide direct or indirect financial assistance as contemplated by section 44 of the Companies Act, by way of loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription for any option, or any securities, issued or to be issued by RCL FOODS, or any related or inter-related company, or for the purchase of any securities of RCL FOODS, or of any related or inter-related company, on the terms and conditions and for the amounts that the Board may determine.

EXPLANATION

Section 44 of the Companies Act empowers the board of a company to provide direct or indirect financial assistance for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company or corporation pursuant to a special resolution of the shareholders of the company adopted within the previous two years.

The reason for and effect of special resolution number 1 is to grant the directors of the Company the authority to enable the Company to provide financial assistance in appropriate circumstances. The financial assistance will be provided where the board of directors of the Company is satisfied that immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test, and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company. In the circumstances and in order to, inter alia, ensure that the Company's subsidiaries and other related and inter-related companies and corporations have access to financing, it is necessary to obtain the approval of shareholders, as set out in special resolution number 1.

2. GENERAL AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE IN TERMS OF SECTION 45 OF THE COMPANIES ACT

SPECIAL RESOLUTION NUMBER 2

Resolved as a special resolution (which will be in place for a period of two years from the date of adoption of this special resolution number 2) that the Board may, subject to section 45 of the Companies Act, the Memorandum of Incorporation of RCL FOODS and the JSE Listings Requirements, authorise RCL FOODS or any of its subsidiaries to provide direct or indirect financial assistance as contemplated in section 45 of the Companies Act to a director or prescribed officer of the Company or of a related or inter-related company, or to a related or inter-related company or corporation, or to a member of a related or inter-related corporation, or to a person related to any such company, corporation, director, prescribed officer or member, on the terms and conditions and for the amounts that the Board may determine.

EXPLANATION

Section 45 of the Companies Act empowers the board to provide financial assistance pursuant to a special resolution of the shareholders of the company adopted within the previous two years. The Company and its subsidiaries provide loan financing, guarantees, and other support as envisaged in section 45 of the Companies Act, from time to time in the ordinary course of the Group's business.

The reason for and effect of special resolution number 2 is to enable the Company and its subsidiaries to effectively manage their internal financial administration. It would be impractical to obtain shareholder approval each time the Company or a subsidiary wished to provide financial assistance as contemplated above. The financial assistance will be provided where the board of directors of the Company or the relevant subsidiary is satisfied that immediately after providing the financial assistance, the solvency and liquidity test is satisfied, and that the terms under which the financial assistance is proposed to be given are fair and reasonable.

3. APPROVAL OF NON-EXECUTIVE DIRECTORS' REMUNERATION

SPECIAL RESOLUTION NUMBER 3

Resolved as a special resolution that, unless otherwise determined by the Company in a general meeting, the annual fees (excluding VAT where applicable), payable by the Company to its non-executive directors with effect from 1 October 2022 be approved as follows:

	Current Rands per annum	**Proposed Rands per annum**
Board		
Chairperson	354 558	**374 059**
Members	354 558	**374 059**
Audit Committee		
Chairperson	295 973	**312 252**
Members	148 715	**156 894**
Remuneration and Nominations Committee		
Chairperson	174 959	**184 582**
Members	109 349	**115 363**
Risk Committee		
Chairperson	174 959	**184 582**
Members	109 349	**115 363**
Social and Ethics Committee		
Chairperson	125 388	**132 284**
Members	75 816	**79 986**

EXPLANATION

Section 66(9) of the Companies Act requires that a Company may pay remuneration to its directors for their services as directors only in accordance with a special resolution approved by the shareholders within the previous two years.

The reason for and effect of special resolution number 3 is to grant the Company the authority to pay fees to its non-executive directors for their services as directors.

4. GENERAL AUTHORITY TO REPURCHASE SHARES

SPECIAL RESOLUTION NUMBER 4

Resolved as a special resolution that the Board be and is hereby authorised, by way of a renewable general authority in terms of the provisions of the JSE Listings Requirements, to approve the purchase by the Company of its own ordinary shares, or to approve the purchase of ordinary shares in the Company by any subsidiary of the Company, in terms of section 48 of the Companies Act from time to time on such terms and conditions and in such amounts as the Board may determine, provided that:

1. this general authority shall be valid until the Company's next Annual General Meeting or for 15 months from the date of passing of this resolution, whichever period is shorter;
2. the ordinary shares be purchased through the order book operated by the JSE Limited trading system and done without any prior understanding or arrangement between the Company and/or the relevant subsidiary and the counterparty (reported trades are prohibited);
3. an announcement complying with paragraph 11.27 of the JSE Listings Requirements be made by the Company (i) when the Company and/or its subsidiaries have cumulatively repurchased 3% of the ordinary shares in issue as at the time when this general authority was given (the initial number) and (ii) for each 3% in the aggregate of the initial number of the ordinary shares acquired thereafter by the Company and/or its subsidiaries;
4. the repurchase by the Company of its own ordinary shares shall not in the aggregate in any one financial year exceed 10% of the Company's issued ordinary share capital of that class as at the beginning of the financial year, provided that the acquisition of ordinary shares as treasury shares by the subsidiaries of the Company shall not be effected to the extent that in aggregate more than 10% of the number of issued ordinary shares of the Company at the relevant times are held by or for the benefit of the subsidiaries of the Company taken together;
5. repurchases must not be made at a price more than 10% above the weighted average of the market value of the ordinary shares for the five business days immediately preceding the date on which the transaction is effected;
6. at any point in time the Company may only appoint one agent to effect any repurchase on the Company's behalf or on behalf of any subsidiary of the Company;
7. the Company and its subsidiaries will not repurchase ordinary shares during a prohibited period (as defined in the JSE Listings Requirements) unless they have in place a repurchase programme where the dates and quantities of the shares to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme (as required by the JSE Listings Requirements) have been submitted to the JSE in writing prior to the commencement of the prohibited period. The Company will instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by the Company, prior to the commencement of the prohibited period;
8. a resolution has been passed by the Board that it has authorised the repurchase, that the Company and its subsidiaries have passed the solvency and liquidity test contemplated in the Companies Act, and that since the test was performed there have been no material changes to the financial position of the Group; and
9. such repurchases will be subject to the applicable provisions of the Companies Act, the Memorandum of Incorporation, the JSE Listings Requirements and the Exchange Control Regulations 1961.

STATEMENT OF THE BOARD'S INTENTION

The Board has no specific intention at present to use this authority to repurchase any of the Company's shares, however, the Board is of the opinion that this authority should be in place should it become appropriate, in their opinion, to undertake a share repurchase in the future.

STATEMENT BY THE DIRECTORS

The Company's directors undertake that they will not implement any such repurchase/s unless:

1. the Company and the Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of the repurchase;
2. the assets of the Company and the Group will exceed their liabilities for a period of 12 months after the date of the repurchase. For this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements;
3. the Company and the Group will have adequate share capital and reserves for ordinary business purposes for a period of 12 months after the date of the repurchase; and
4. the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the repurchase.

ADDITIONAL INFORMATION

For the purposes of considering this special resolution number 4 and in compliance with paragraph 11.26 of the JSE Listings Requirements, the information listed below has been included in the Abridged Integrated Annual Report (of which this notice forms part) in the places indicated:

1. Major shareholders of the Company – page 101 of the Abridged Integrated Annual Report; and
2. Share capital of the Company – page 113 of the Abridged Integrated Annual Report.

There has been no material change in the financial or trading position of the Company and the Group that has occurred since the end of the last financial period for which either audited Annual Financial Statements or unaudited interim reports have been published.

The directors, whose names are set out on pages 58 and 59 of the Abridged Integrated Annual Report, collectively and individually, accept full responsibility for the accuracy of the information contained in this special resolution number 4 and certify that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in relation to this special resolution number 4 false or misleading, and that they have made all reasonable enquiries in this regard and that this special resolution number 4 contains all information required by law and the JSE Listings Requirements.

EXPLANATION

The purpose of special resolution number 4 is to grant the Board a general authority to approve the repurchase by the Company or its subsidiaries of its own ordinary shares on the terms and conditions and in such amounts to be determined from time to time by the Board, subject to the terms of this special resolution number 4.

APPROVALS REQUIRED FOR RESOLUTIONS

Ordinary resolutions numbers 1 to 6 contained in this notice require the approval of more than 50% (fifty percent) of the voting rights exercised on the resolution by members present or represented by proxy at the Annual General Meeting.

Ordinary resolutions numbers 7 and 8 are required to be endorsed, through a non-binding advisory vote, by members present or represented by proxy at the Annual General Meeting. In the event of the resolutions being voted against by 25% or more of the votes exercised on them, the Company shall engage with members as to the reasons therefor, as set out in the Remuneration Report.

Special resolutions numbers 1 to 4 contained in this notice require the approval of at least 75% (seventy-five percent) of the voting rights exercised on the resolutions by members present or represented by proxy at the Annual General Meeting.

ATTENDANCE AND VOTING BY MEMBERS OR PROXIES

Ordinary members who have not dematerialised their ordinary shares or who have dematerialised their ordinary shares with own name registration, are entitled to attend and to vote at the meeting. Any such member may appoint a proxy/proxies to attend, speak and vote in their stead (on a poll) at the meeting. A proxy need not be a member of the Company. Forms of proxy should be completed and returned to the transfer secretaries Computershare Investor Services Proprietary Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posted to Private Bag X9000, Saxonwold, 2132, or emailed to proxy@computershare.co.za to be received by 08:30am on Monday, 7 November 2022 for administrative purposes, or alternatively handed to the Company Secretary of the Company or the Chairperson of the Annual General Meeting prior to the commencement of the meeting at 08:30am on Wednesday, 9 November 2022.

Any shares held by a share trust or scheme will not have their votes at the Annual General Meeting taken into account for the purposes of resolutions proposed in terms of the JSE Listings Requirements. In terms of section 48(2)(b)(ii) of the Companies Act, no voting rights may attach to any shares held in treasury.

On a show of hands, every member of the Company present in person or represented by proxy shall have one vote only. On a poll, every member of the Company shall have one vote for every share held in the Company by such member.

Ordinary members who have dematerialised their ordinary shares other than with "own name" registration, should contact their Central Securities Depository Participant (CSDP) or broker in the manner and time stipulated in their agreement:

- to furnish them with their voting instructions; or
- in the event that they wish to attend the meeting, to obtain the necessary authority to do so.

Shareholders or their proxies may participate, but not vote, by electronic communication in all or part of the meeting and, if they wish to do so must contact the Company Secretary (by email at the address: Lauren.Kelso@rclfoods.com) by no later than 08:30am on Tuesday, 1 November 2022 in order to facilitate participation. The electronic communication is at the expense of the shareholders or proxy.

PROOF OF IDENTIFICATION REQUIRED

The Companies Act requires that any person who wishes to attend or participate in a shareholders' meeting must present reasonably satisfactory identification at the meeting. Any shareholder or proxy who intends to attend or participate at the Annual General Meeting must be able to present reasonably satisfactory identification at the meeting for such shareholder or proxy to attend and participate at the meeting. A valid identification document (green ID book or smart ID card) issued by the South African Department of Home Affairs, a valid driver's licence or a valid passport will be accepted as sufficient identification.

LG Kelso
Company Secretary

2 September 2022

Registered office
Ten The Boulevard, Westway Office Park, Westville, 3629

FORM OF PROXY

RCL FOODS LIMITED

Incorporated in the Republic of South Africa
Registration number: 1966/004972/06
Share code: RCL
ISIN: ZAE000179438
("the Company")

This form of proxy is only for use by:

1. Registered shareholders who have not yet dematerialised their ordinary shares
2. Registered shareholders who have already dematerialised their ordinary shares and registered them in their own name*

See explanatory note 3 overleaf

I/We (name in block letters)

of (address)

Telephone number: Cellphone number:

being a member/members of RCL Foods Limited (registration number: 1966/004972/06)

and the registered holder/s of ordinary shares in the Company, hereby appoint (see instruction 1 overleaf)

1. or failing him/her

2. or failing him/her

3. the Chairperson of the Annual General Meeting,

as my/our proxy to attend, speak and vote for me/us and on my/our behalf or to abstain from voting at the Annual General Meeting of the Company to be held at Ten The Boulevard, Westway Office Park, Westville, KwaZulu-Natal on Wednesday, 9 November 2022 at 08:30am and at any adjournment thereof as follows:

		For	Against	Abstain
ORDINARY RESOLUTIONS				
1.	Adoption of Annual Financial Statements			
2.	Election and re-election of directors			
2.1	Mr HJ Carse			
2.2	Mr RH Field			
2.3	Mr NP Mageza			
2.4	Mr GCJ Tielenius Kruythoff			
2.5	Mr PD Cruickshank			
3.	Re-appointment of external auditors			
4.	Re-election of members of the Audit Committee			
4.1	Mr NP Mageza			
4.2	Mr DTV Msibi			
4.3	Mr GM Steyn			
5.	General authority to place 10% of the unissued ordinary shares under the control of the directors			
6.	Enabling resolution			
7.	Non-binding advisory vote in respect of the Remuneration Policy			
8.	Non-binding advisory vote in respect of the Remuneration Implementation Report			
SPECIAL RESOLUTIONS				
1.	General authority to provide financial assistance in terms of section 44 of the Companies Act			
2.	General authority to provide financial assistance in terms of section 45 of the Companies Act			
3.	Approval of non-executive directors' remuneration			
4.	General authority to repurchase shares			

(Indicate instructions to proxy by way of a cross in the space provided). Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed this day of 2022.

Signature

(Please read the notes and instructions overleaf)

NOTES TO THE FORM OF PROXY

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a registered member of the Company. Satisfactory identification must be presented by any person wishing to attend the Annual General Meeting, as set out in the notice.
2. Every member present in person or by proxy and entitled to vote at the Annual General Meeting of the Company shall, on a show of hands, have one vote only, irrespective of the number of shares such member holds. In the event of a poll, each member shall be entitled to one vote in respect of each ordinary share held in the Company by him/her.
3. Members registered in their own name are members who elected not to participate in the Issuer-Sponsored Nominee Programme and who appointed Computershare Custodial Services as their Central Securities Depository Participant (CSDP) with the express instruction that their uncertified shares are to be registered in the electronic sub-register of members in their own names.

INSTRUCTIONS ON SIGNING AND LODGING THE FORM OF PROXY:

1. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided on the form of proxy, with or without deleting "the Chairperson of the Annual General Meeting", but any such deletion must be initialled by the member. Should this space be left blank, the proxy will be exercised by the Chairperson of the Annual General Meeting. The person whose name appears first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A member's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes exercisable by the member, in the appropriate spaces provided in the form of proxy. Failure to do so shall be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting, as he/she thinks fit in respect of all the member's exercisable votes. A member or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the member or by his/her proxy.
3. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
4. To be valid, the completed form of proxy should be completed and returned to the transfer secretaries Computershare Investor Services Proprietary Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posted to Private Bag X9000, Saxonwold, 2132, or emailed to proxy@computershare.co.za to be received by 08:30am on Monday, 7 November 2022 for administrative purposes, or alternatively handed to the Company Secretary of the Company or the Chairperson of the Annual General Meeting prior to its commencement at 08:30am on Wednesday, 9 November 2022.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the Chairperson of the Annual General Meeting.
6. The completion and lodging of this form of proxy shall not preclude the relevant member from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.
7. The completion of any blank spaces on the form of proxy need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.
8. The provisions of the Companies Act in relation to the revocation of the appointment of a proxy apply. A member may accordingly revoke a proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of such revocation to the proxy and the Company.
9. The Chairperson of the Annual General Meeting may reject or accept any form of proxy which is completed other than in accordance with these instructions provided that he/she is satisfied as to the manner in which a member wishes to vote.

NOTES

SHAREHOLDERS' DIARY

Financial year-end	June
Annual general meeting	November

FINANCIAL REPORTS

Announcement of results for the year	September
Annual financial statements posted	September
Interim report for half year to December	February

FUTURE ORDINARY DIVIDENDS

Interim dividend	
Declaration	February
Payment	April
Final dividend	
Declaration	September
Payment	October

CORPORATE INFORMATION

Company registration number	1966/004972/06
JSE Share code	RCL
ISIN code	ZAE000179438
Registered office/street address	Ten The Boulevard Westway Office Park Westville 3629
Postal address	PO Box 2734 Westway Office Park Westville 3635
Transfer secretaries	Computershare Investor Services Proprietary Limited Rosebank Towers 15 Biermann Avenue Rosebank 2196
Company secretary	LG Kelso
Auditors	PricewaterhouseCoopers Incorporated
Listing	JSE Securities Exchange South Africa
Sector	Food Producers
Sponsor	RAND MERCHANT BANK (a division of FirstRand Bank Limited)
Bankers	Absa Bank Limited, FirstRand Bank Limited, Investec Bank Limited, Nedbank Limited and Standard Bank of South Africa Limited
Website	www.rclfoods.com