



RCL FOODS™

INTEGRATED ANNUAL REPORT 2026

START



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OUR REPORTING SUITE

Our reporting suite is designed to meet the diverse information needs of the stakeholders of RCL FOODS (RCL FOODS, the Company or the Group) and to enable readers to understand the ability of the Group to create and preserve value over time. It provides a transparent and connected view of our strategy, governance, performance and contribution to sustainable value creation for the financial year ended 28 June 2026 (the 2026 financial year, 2026 or the year).

Our Integrated Annual Report (IAR) serves all our stakeholders, particularly shareholders, investors and funders, as well as our communities, consumers, customers, employees and other stakeholder groups.

INTEGRATED ANNUAL REPORT



This IAR provides a consolidated view of our **financial and non-financial performance**, including strategic progress, sustainability disclosures and value creation outcomes for all our stakeholders.

Our **Corporate Governance Report**, which demonstrates how the Board of Directors (Board) and its committees discharged their responsibilities during the year, and **Remuneration Report**, which sets out our approach to fair, responsible and transparent remuneration, are incorporated into this report.

ENGAGE WITH US

We value feedback and invite our stakeholders to share any questions or comments regarding this report. You can send feedback to the Company Secretary, Lauren Kelso, at CoSec@rclfoods.com.



ANNUAL FINANCIAL STATEMENTS

Our Annual Financial Statements (AFS) present the Group's audited financial results for 2026 in accordance with International Financial Reporting Standards (IFRS). This report offers a detailed view of our financial position, performance and cash flows for the year.



KING IV APPLICATION REGISTER

Our King IV Application Register sets out our application of the corporate governance principles as recommended by the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)*.



NOTICE OF ANNUAL GENERAL MEETING

Our Notice of Annual General Meeting (AGM) provides shareholders with details of the AGM, including the resolutions to be considered, voting procedures and other relevant information.



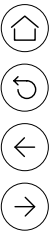
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These reports are available at www.rclfoods.com.

NAVIGATING THIS REPORT

We use the following icons throughout the IAR to guide navigation and illustrate the key elements of our value creation model, in alignment with the Integrated Reporting Framework.



THIS IS AN INTERACTIVE PDF

Navigation tools are available at the top of each page

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PREVIOUS



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OUR CAPITALS OF VALUE CREATION

We report on six capitals that represent the key resources and relationships we rely on to create sustainable value. These capitals are interdependent and inform our strategy, value creation model and performance.

FINANCIAL
CAPITALHUMAN
CAPITALINTELLECTUAL
CAPITALMANUFACTURED
CAPITALNATURAL
CAPITALSOCIAL AND
RELATIONSHIP
CAPITAL

OUR STAKEHOLDER GROUPS

We engage with key stakeholders who affect and are affected by our business activities. We consider their needs in developing and implementing our strategy. By incorporating their feedback, we can better respond to risks and identify opportunities.



COMMUNITIES



CONSUMERS



CUSTOMERS



EMPLOYEES



GOVERNMENT

INVESTORS
AND FUNDERS

MEDIA



SUPPLIERS

OUR INTEGRATED STRATEGY

Our business strategy centres on unlocking growth and driving resilience through three strategic pillars. Sustainability is integrated across these areas, ensuring that our commercial objectives and sustainable commitments advance together to grow our business.

PEOPLE FIRST

Our sustainability focus areas

Employees

Communities

RIGHT GROWTH

Our sustainability focus areas

Food security

FUTURE FIT

Our sustainability focus areas

Climate action

Responsible water
stewardshipResponsible
sourcingProtecting
nature

Waste free

Accountability

OUR MATERIAL RISKS

We proactively identify and manage our material risks to mitigate their potential adverse effects on our ability to create value.

Energy security
and pricingNon-availability
of IT systemsHealth and
safetySupply chain
disruptionWater security
and pricingCommodity
pricingNon-compliance
with legislationPricing
pressureReduced
demandFood and
product safetySugar
industryIndustrial
actionSocietal
unrest

WHERE TO FIND MORE INFORMATION

Cross-references are hyperlinked for ease of reference



CLICK ON A BOLD PAGE NUMBER TO BE DIRECTED TO THE RELEVANT PAGE IN THE IAR



CLICK ON THIS ICON TO GO TO A WEB PAGE WITH MORE INFORMATION



This report is best viewed in Adobe Acrobat for desktop, mobile or tablet.

CLICK TO DOWNLOAD OR
UPDATE TO THE LATEST ADOBE
ACROBAT READER



Read more from page 18.



Read more from page 31.



Read more from page 16.



Read more from page 39.

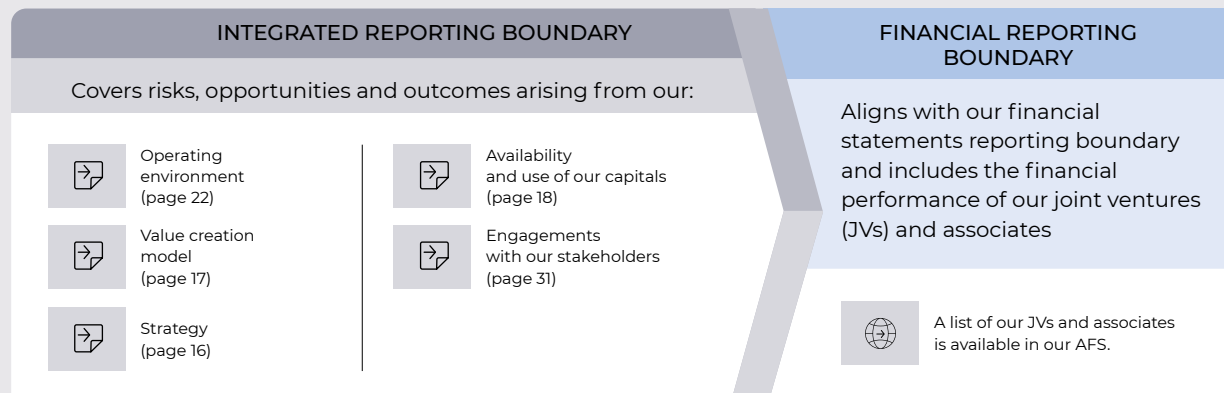
ABOUT THIS REPORT

This IAR illustrates how we apply integrated thinking to create, preserve and grow value over time for our stakeholders, in response to the dynamic environment in which we operate.

RCL FOODS is listed on the JSE Limited in the Food Producers sector. It is the holding company of three principal operating subsidiaries: RCL FOODS Sugar and Milling Proprietary Limited, RCL Group Services Proprietary Limited and Foodcorp Proprietary Limited.

SCOPE AND BOUNDARY

This IAR presents a holistic view of the Group's strategy, governance, performance and prospects for the 2026 financial year, with relevant comparatives to the previous period. Unless otherwise indicated, all financial and non-financial information relates to the Group's operations in South Africa, comprising the Groceries, Baking, Sugar and Group (shared services) segments.



We follow a robust enterprise-wide risk management approach to identify any risks that could hinder or disrupt our ability to create value.

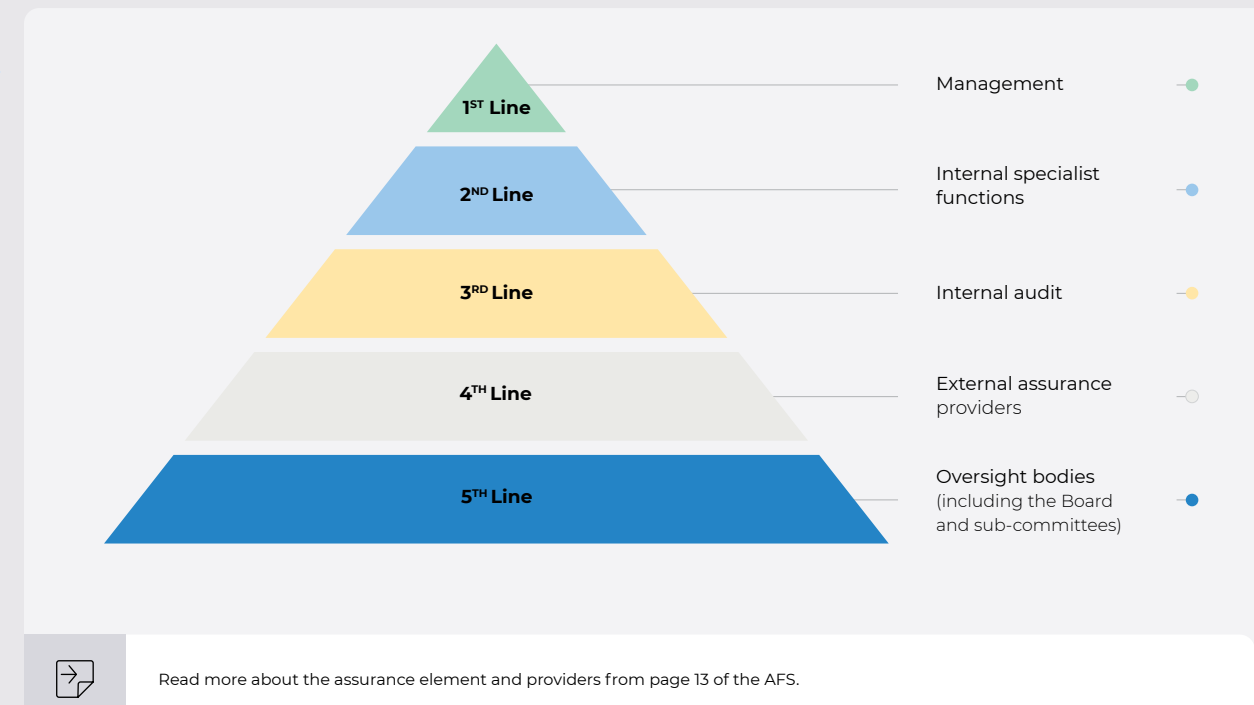
Refer to pages 39 to 52 for more information on our risk management approach, our key risks and opportunities and their alignment with strategic responses

The underlying view of the results excludes material one-offs and accounting adjustments to enable a like-for-like comparison between the current and prior years, thereby giving investors and shareholders a more meaningful view of the business's underlying performance. Refer to the Reconciliation between unadjusted and underlying results section on page 130 for further details, the applicable criteria and the basis on which this *pro-forma* financial information has been prepared. Any limitations, changes to the reporting boundary, or restatements of prior year data are noted in the relevant sections.

COMBINED ASSURANCE

The Risk and Audit Committees consider the risks and the assurance provided through the Combined Assurance Framework, and periodically advise the Board on the state of risks and internal controls in RCL FOODS' operating environment. This information is used as the basis for the Board's review, sign-off and reporting to stakeholders (via the IAR) on risk management and the effectiveness of internal controls within the Group. The Board is satisfied that its combined assurance model enables an effective control environment and supports the integrity of information used by RCL FOODS for internal decision-making and for external reporting.

LINE OF ASSURANCE



ABOUT THIS REPORT continued

MATERIALITY

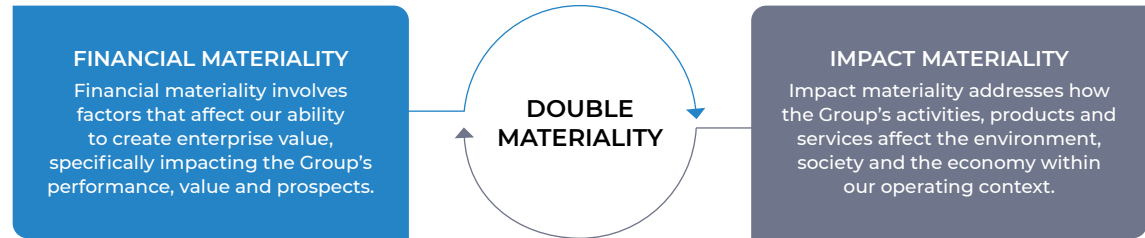
Materiality guides the content of this IAR. We define material matters as those that substantively affect, or have the potential to affect, RCL FOODS' ability to create, preserve or erode value over the short, medium and long term, and that could reasonably influence stakeholder assessments and decisions.

Material matters are identified through an annual assessment process.

We define these material matters through the following review process:



We apply a double materiality approach. This approach ensures our material environmental, social and governance (ESG) disclosures are integrated.



Materiality related to climate disclosures and matters was assessed across dimensions: financial materiality considered climate-related risks and opportunities with a reasonable likelihood of affecting our financial performance and prospects, while impact materiality considered how our operations and value chain affect the climate and broader environment. No material climate-related information has been omitted from this report on the grounds of legal restriction or commercial sensitivity.

PURPOSE-LED VALUE CREATION AND REPORTING

Our purpose – **We Grow What Matters** – guides how we drive our strategy, manage our operations and create shared value for our stakeholders. In line with the principles of integrated thinking, we consider the interdependencies between our financial performance,

environmental stewardship, social impact and governance, as well as the importance of operational excellence, innovation and customer trust in delivering sustainable growth. Sustainability is therefore embedded in our business decisions and strategy.

With a unified purpose and an integrated business strategy, we present sustainability as a core component of our strategic performance, not a standalone topic. Key sustainability matters are linked to risks, opportunities, strategic responses and performance indicators. Where relevant, we explain the trade-offs between capitals and how decisions affect value creation over the short, medium and long term.



Read more about our strategic and sustainability performance in the Performance against our strategy chapter from page 69

ABOUT THIS REPORT continued

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements relating to RCL FOODS’ strategy, future operations, performance and prospects. These statements do not guarantee future results and involve known and unknown risks, uncertainties and other factors that may cause actual outcomes to differ materially from those expressed or implied. All forward-looking statements are based on the views and considerations of the Board as of this report’s approval date.

REPORTING FRAMEWORKS AND APPROACH

This report has been prepared in alignment with the principles and content elements of the Integrated Reporting Framework and guided by the following additional standards and codes:

- IFRS
- JSE Limited Listings Requirements
- King IV
- United Nations Sustainable Development Goals (UN SDGs)
- Global Reporting Initiative (GRI) Standards
- Sustainability Accounting Standards Board (SASB)

RCL FOODS is working towards alignment on a voluntary basis with the International Sustainability Standards Board’s (ISSB) IFRS S1 and IFRS S2. This report incorporates climate-related disclosures across the governance, strategy, risk management and metrics and targets pillars of the IFRS S2 framework, with further enhancements planned for successive reporting periods as RCL FOODS continues to build the processes and capabilities required for full alignment.

Where applicable, the data and assumptions used in preparing our climate-related financial disclosures are consistent with those used in preparing our consolidated financial statements, in accordance with IFRS Accounting Standards. Any differences reflect the broader scope and longer time horizons inherent in climate-related reporting, rather than inconsistencies in the underlying data.

BOARD STATEMENT OF RESPONSIBILITY

The RCL FOODS Board acknowledges its responsibility to oversee the integrity, completeness and relevance of this IAR. The Audit Committee and the Board have reviewed the report to ensure that it addresses all material matters and presents a fair and balanced view of the Group’s performance and prospects in the context of its integrated strategy.

The Board approved the 2026 IAR on 28 August 2026.

George Steyn
*Non-executive
Chairman*

Paul Cruickshank
Chief Executive Officer (CEO)

Robert (Rob) Field
Chief Financial Officer (CFO)

Gugu Dingaan
*Independent
Non-executive Director*

Kees Tienenius Kruythoff
*Independent
Non-executive Director*

Derrick Msibi
*Independent
Non-executive Director*

Penny Moumakwa
*Independent
Non-executive Director*

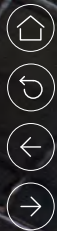
Richard Rushton
*Independent
Non-executive Director*

Carel Vosloo
Non-executive Director

Lwanda Zingitwa
Non-executive Director

Gcina Zondi
*Independent
Non-executive Director*





BEHIND EVERY BRAND, THERE
IS A PURPOSE TO GROW WHAT
MATTERS

Our business is built on a clear purpose, a diverse portfolio of brands and the people behind them. This chapter takes a closer look at who we are, where we operate and the moments that shaped the year.

OUR BUSINESS

OUR PURPOSE, VISION AND VALUES	>	8
OUR GROUP PROFILE	>	9
THE YEAR AT A GLANCE	>	14



OUR PURPOSE, VISION AND VALUES

RCL FOODS is a leading South African food manufacturer with a broad portfolio of trusted, household brands across its Groceries, Baking and Sugar business units. Driven by a clear purpose to **grow what matters**, we serve people’s needs by delivering quality food products that meet evolving consumer expectations and create a lasting impact.

By following our purpose-driven value creation model, we are building a resilient business that fosters inclusive, sustainable growth, environmental stewardship and shared value for all our stakeholders. We continue to invest in our brands to grow market share and deepen our impact across the categories we serve.

OUR PURPOSE

WE GROW WHAT MATTERS

We are a deeply rooted South African business and we believe our country will thrive when we collectively **grow what matters**.

That is why as RCL FOODS, we strive to serve peoples’ needs; responsibly create opportunities for employment, belonging and growth; and do **MORE** to strengthen communities and the environment. Our purpose is anchored in a culture of empowerment and accountability, with uncompromising integrity at its heart.

We believe in seeing and doing things differently to inspire collective actions that grow into waves of meaningful change. Because we want to make an impact. One that matters.

With each of us doing that little MORE, together We Grow What Matters.

OUR VISION AND STRATEGY

A PURPOSE-LED BUSINESS THAT DELIVERS VALUE FOR ALL AND CREATES THE FUEL TO FUND ENDURING POSITIVE IMPACT

We achieve our vision by living our core values and embedding purpose at the heart of our business.

Our vision is enabled by our integrated strategy, a robust value creation model and the effective use of the six capitals. Together, these guide our decision-making, inform how we allocate resources and shape the outcomes we aim to deliver across financial, social and environmental dimensions. Our strategy consists of three pillars: People First, Right Growth and Future Fit.

Read more about our strategy on 16.

OUR VALUES, OUR WAY

Our unique culture guides how we deliver on our business strategy, vision and purpose. Our core values shape this culture.

MORE INCLUSIVE

Celebrate and build diversity. Respect all people. Value other views. Encourage authenticity.

MORE CURIOUS

Ask questions and keep learning, especially from failure. See and do things differently. Try new things and innovate.

MORE ACCOUNTABLE

Be transparent. Take responsibility for your actions. Be true to your word and hold others to theirs. Embrace feedback and fix mistakes.

UNCOMPROMISING INTEGRITY

Always do the right thing. Be Brave and speak up. Act Responsibly.

MORE AGILE

Keep it simple. Know when to go fast and when to go slow. Adapt and keep moving forward.

MORE COLLABORATIVE

Work together to solve problems and achieve goals. Share ideas and effort. Be generous with knowledge.

MORE SUSTAINABLE

We plan ahead, act responsibly and build positive and lasting impact. Play your part. Plan ahead. Make a positive impact. Be future-fit. Leave a legacy.

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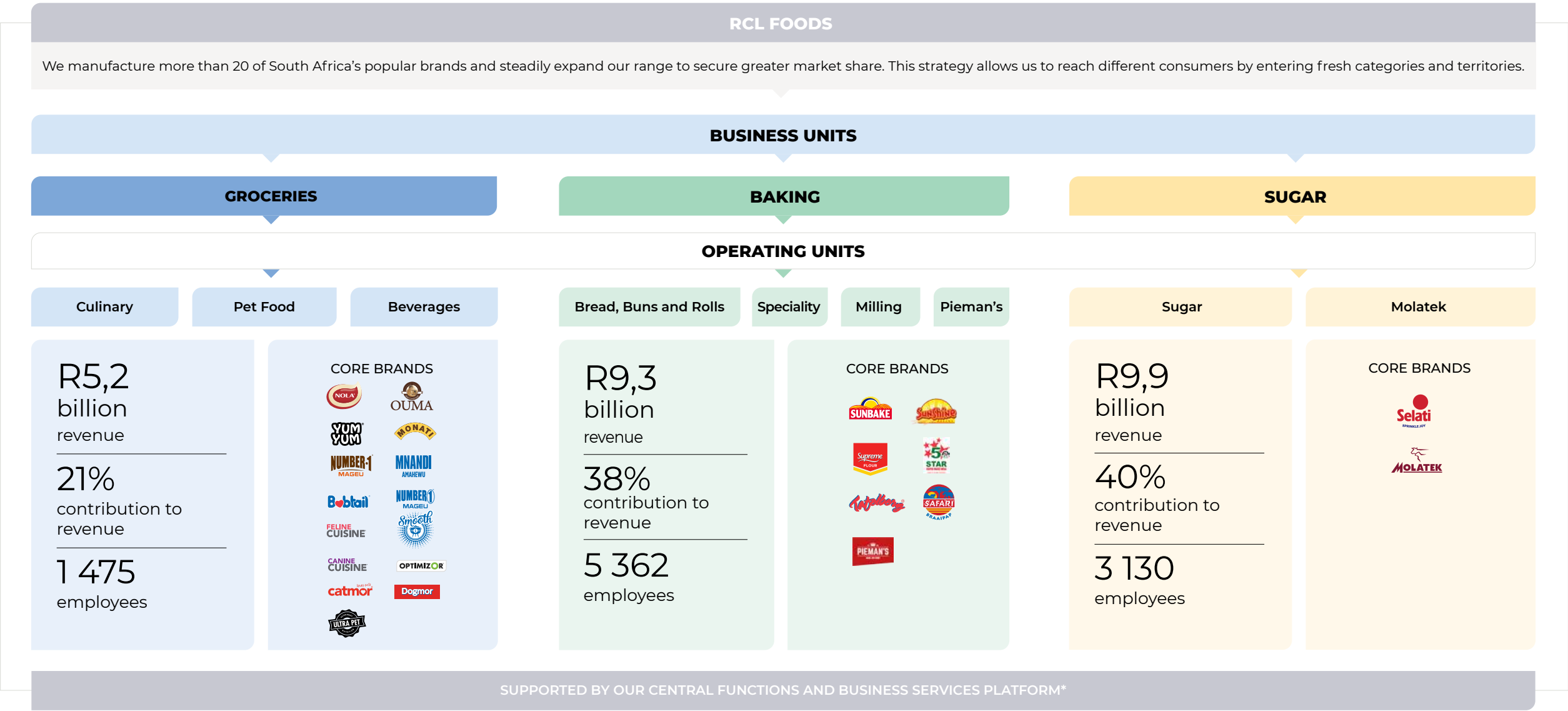
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OUR GROUP PROFILE

RCL FOODS produces a diverse basket of branded and private label food products across multiple categories, from household staples to value-added and speciality offerings. What matters to us is not just the food we create, but the impact we have on our people, communities, environment and nation.



* 1% contribution to revenue.

OUR GROUP PROFILE continued

OUR BUSINESS UNITS

We operate through three business units – Groceries, Baking and Sugar – supported by a central shared services platform. Each business unit comprises various operating units and is responsible for delivering value through trusted brands, efficient operations and consumer-centred innovation.

GROCERIES

The Groceries business unit is focused on accelerating growth within value-added categories through brand differentiation and innovation. By leveraging a diverse portfolio of household names, the division aims to capture higher margins and increase market penetration across three operating units.

Culinary

Enhancing daily meal occasions with a range of staples and premium offerings, including market-leading spreads and condiments.



Pet Food

Delivering balanced nutrition for household animals.



Beverages

Providing refreshing, quality options that cater to evolving consumer preferences and on-the-go lifestyles.



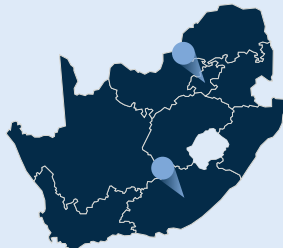
Footprint and facilities

GAUTENG

- 1 Culinary plant
- 1 Pet food plant
- 1 Beverage plant

EASTERN CAPE

- 1 Rusk plant



Volume market share*



Nola Mayonnaise



Yum Yum Peanut Butter

227 397 jars of mayonnaise produced per day



Ouma Rusks



Sorghum (RCL FOODS Brands)/Porridge

63 014 jars of peanut butter produced per day

Production challenges disrupted Pet Food operations in the second half of the financial year. As a result, Pet Food market shares do not reflect actual trading conditions and have not been provided.



Mageu

93 813 litres of beverages sold per day

* As read by CIRCANA in the retail channel for the 12-month period ended June 2026.

RCL FOODS Integrated Annual Report 2026

OUR GROUP PROFILE continued

Our business units continued

BAKING

The Baking business unit is committed to maintaining its position as a leading provider of food staples through a vertically integrated value chain. By optimising operational efficiencies and leveraging a broad national footprint, the division focuses on delivering consistent quality and value across four operating units.

Bread, Buns and Rolls

Providing affordable, high-quality loaves and fresh, versatile rolls and buns for retail and quick-service restaurants.



Milling

Ensuring a stable supply of essential flour and maize products to support internal production and external market demand.



Pieman's

Maintaining market leadership in the savoury snack category through convenient, "on-the-go" meal solutions.



Speciality

Delivering premium and indulgent offerings, including private label baked goods for Woolworths, to cater to specific consumer occasions.

Volume market share#



Sunbake (measured via the South African Grain Information Service)

795 000 units
of bread, buns and rolls produced per day



Supreme Flour (measured via the South African Grain Information Service)

340 000 tonnes
of flour produced annually

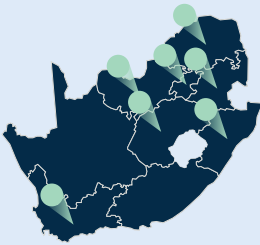


*Pieman's**

25 100 dozens
of pies sold per day

Footprint and facilities

GAUTENG 2 Bakeries 3 Baking depots 2 Speciality plants 1 Flour mill 1 Pie factory	LIMPOPO 2 Bakeries 6 Baking depots MPUMALANGA 2 Bakeries 6 Baking depots	KWAZULU-NATAL 2 Bakeries 4 Baking depots NORTH WEST 1 Bakery 2 Baking depots	FREE STATE 3 Baking depots WESTERN CAPE 1 Speciality plant
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12-month period ended June 2026.
* As read by CIRCANA, frozen retail pies and rolls moving annual total June 2026.



OUR GROUP PROFILE continued

Our business units continued

SUGAR

The Sugar business unit is dedicated to maintaining its position as a leading, low-cost producer through a vertically integrated model that maximises the value of the sugarcane stalk. By leveraging strategic agricultural assets and milling infrastructure, the division focuses on driving sustainability and operational excellence across its two operational units.

Sugar

Focusing on the production and distribution of high-quality sugar products.



Molatek

Utilising the by-products of the sugar milling process to provide nutritious, high-performance feed solutions for the agricultural sector.



Volume market share*



39.7% Selati Sugar

591 690 tonnes of sugar produced per annum

301 077 tonnes of animal feed produced annually

Footprint and facilities

MPUMALANGA

2 Sugar mills

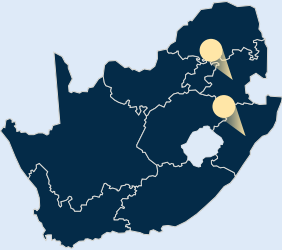
3 Sugar farms (owned)

7 Sugar estates (leased)

1 Animal feed plant

KWAZULU-NATAL

1 Sugar mill



* 12-month period ended June 2026.



OUR GROUP PROFILE continued

WHERE WE OPERATE

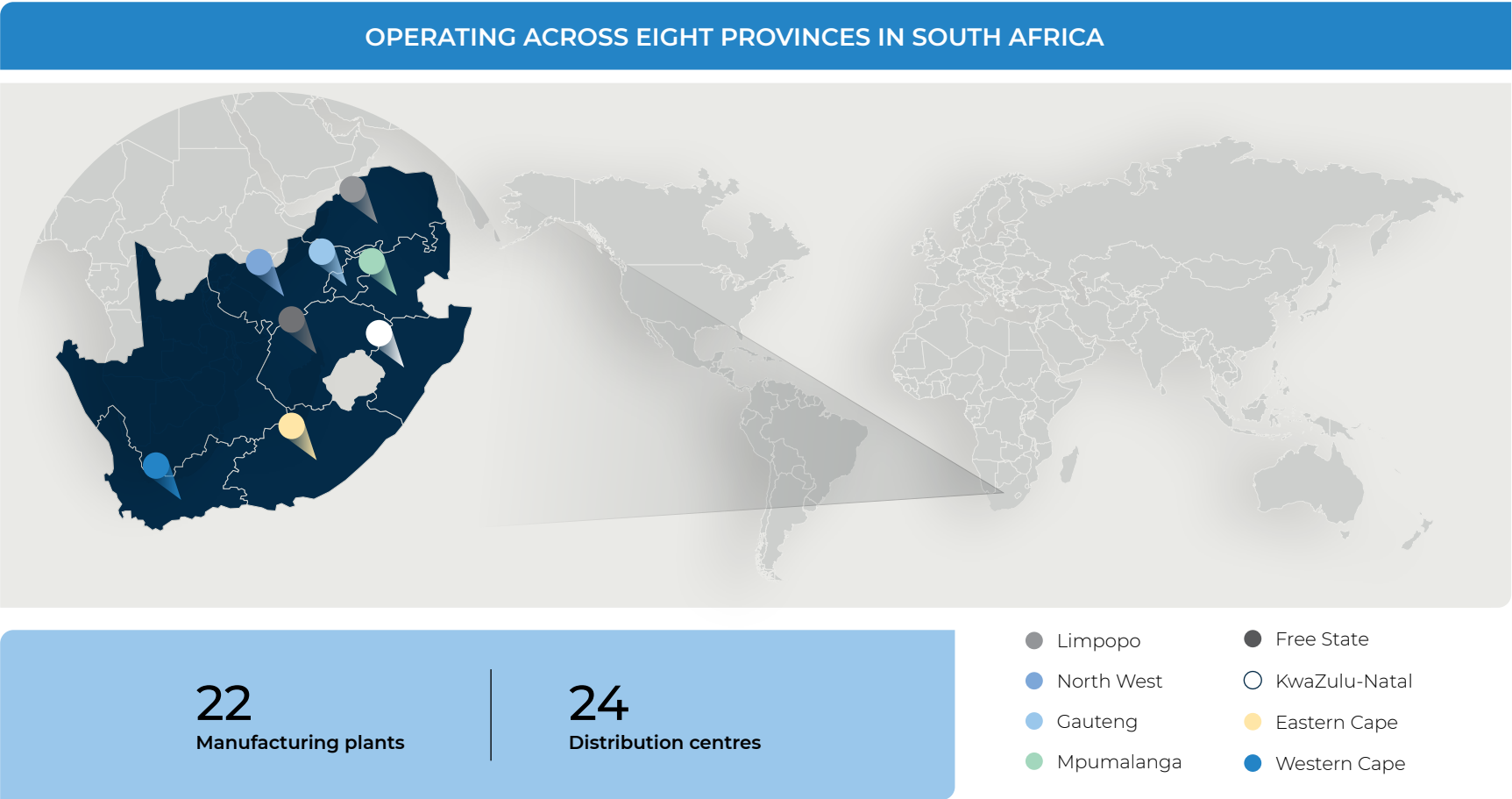
We have an established national footprint across South Africa and a growing regional presence in the Southern African Development Community (SADC) region.

SOUTH AFRICAN FOOTPRINT

Our facilities span eight provinces with manufacturing plants, distribution centres and support functions close to our customers and key supply chain routes.

Several of our operations are in water-scarce or climate-sensitive regions, which inform our site-level environmental and operational risk planning. Our footprint also supports transformation objectives, with local employment and procurement contributing to inclusive growth in key provinces.

We continue to grow our regional exports, particularly within the SADC region, supported by increased brand investment and activations.



OUR AFRICAN INVESTMENTS

We adopt a low-risk approach to secure African opportunities to expand our footprint. This involves supporting existing customers in selected locations, entering into JVs with other established food and route-to-market businesses and, where appropriate, acquiring or establishing new businesses to expand our ownership of our value chain. Additionally, we continually engage with multinational partners to capitalise on export opportunities.

In 2023, we initiated a five-year growth strategy to accelerate our expansion across Africa through export-led initiatives, strategic partnerships and strengthened route-to-market execution.

ROYAL ESWATINI SUGAR CORPORATION (RES)
29.185% SHAREHOLDING

RES is one of the largest companies in Eswatini. They produce two-thirds of the country's sugar as well as a significant quantity of ethanol.

MANANGA SUGAR PACKERS (MANANGA)
64.6% EFFECTIVE SHAREHOLDING

Mananga is a sugar packaging and sales company that sells sugar under the First brand in Eswatini and South Africa. Its primary business activity is to purchase sugar from the Eswatini Sugar Association, pack it and sell it as a branded product. This is a strategic partnership for the Group, enabling the Group to access the Eswatini sugar market.

THE YEAR AT A GLANCE

RCL FOODS maintains leading share in several of its core categories, supported by iconic brands that resonate with South African consumers.

OUR 2026 FINANCIAL PERFORMANCE AT A GLANCE

Revenue

R24,5 billion

4.1% decrease

2025: R25,5 billion*

Underlying return on invested capital (ROIC)

9.0%

4.0 ppts decrease

2025: 13.0%

Underlying earnings before interest, taxes, depreciation, and amortisation (EBITDA)

R2 184,7 million

8.6% decrease

2025: R2 390,6 million

Underlying headline earnings per share (HEPS)

105.9 cents

27.5% decrease

2025: 146.1 cents

Cash generated by operations

R1,4 billion

53.1% decrease

2025: R3,1 billion

Underlying headline earnings

R951,4 million

27.1% decrease

2025: R1 305,7 million

Total dividend per share

40.0 cents

2025: 60.0 cents

* Revenue from continuing operations for the prior year was restated due to a reclassification between revenue and cost and sales. The prior year margins have been adjusted accordingly. Refer to note 34 in the Annual Financial Statements for further details.

OUR 2026 IMPACT AT A GLANCE

10 402 permanent employees

2025: 10 154

32% female employees

2025: 31%

94% African, Coloured and Indian (ACI) employees

2025: 94%

B-BBEE level 3

rating at latest audit

2024: Level 3

R48,1 million invested in skills development

2025: R49,5 million

R19,8 million corporate social investment (CSI)

2025: R21,8 million

56% procurement spend directed to B-BBEE suppliers

2025: 50%

13% reduction in Scope 1 and 2 Greenhouse Gas (GHG) emissions

2025: 5.2% reduction

45% of electricity consumption self-generated

2025: 41%

88% of total waste diverted from landfill

2025: 88%

DO MORE FOUNDATION provided 6 million meals to young children at early childhood development (ECD) centres

2025: 8 million

Surface water withdrawals decreased by 29%

2025: 14%



STRATEGY AND VALUE CREATION

OUR INTEGRATED STRATEGY



16

OUR VALUE CREATION MODEL



17

CAPITALS, TRADE-OFFS AND STAKEHOLDER OUTCOMES



18

**BEHIND EVERY CHOICE, THERE IS
A CLEAR INTENTION TO CREATE
LASTING VALUE**

Our strategy connects what we do today with the value we aim to create for our stakeholders tomorrow.

OUR INTEGRATED STRATEGY

We are unlocking new avenues for growth and building a highly resilient Group by executing our three strategic pillars and leveraging key enablers. Through an integrated approach, sustainability is embedded across all business units, ensuring that our commercial priorities support long-term value creation.

OUR PURPOSE:

**WE GROW
WHAT MATTERS**
OUR VISION: A purpose-led business that delivers value for all and that creates the fuel to fund enduring positive impact

 How we will get there: **Our three strategic pillars**

PEOPLE FIRST

We embrace the power of diversity and aim to create an inclusive workplace that attracts, values, respects and invests in people so that all our employees thrive. We will also drive a culture of performance that prioritises action, solutions, simplicity and results, underpinned by accountability, collaboration and effective governance at all levels. Beyond our business, we will strive to ensure dignity and decent work throughout the value chain, while also collaborating with communities to strengthen their resilience through meaningful relationships and investment.



Read more from page 70 to 81.

RIGHT GROWTH

By growing our business and improving its returns, we aim to generate the fuel to fund enduring positive impact for all our stakeholders. We will drive growth through strong brands, strategic partnerships and acquisitions and faster, more relevant innovation that is good for our consumers and the planet. Through this, we aim to support the delivery of food security and affordable nutrition.



Read more from page 82 to 91.

FUTURE FIT

We aim to create a future-fit business by delivering cost efficiencies and reinvesting in the business to create a productive and resilient asset base. Alongside this, we will take credible action to address climate change and nature loss by targeting net-zero carbon emissions, nature-positive operations and a circular economy.



Read more from page 92 to 102.

 Our **strategic enablers** support the delivery of our strategy through focused action

 Champion diversity
and build an
inclusive, high-
performance culture

 Invest in strategic
capabilities to
drive competitive
advantage

 Strengthen
community
resilience through
collaboration and
investment

 Leverage
partnerships
and
acquisitions for
growth

 Grow
organically
through
strong, trusted
brands

 Expand into
emerging
markets and
strategic
partnerships

 Use consumer
insights and
partner with
strategic
customers

 Drive cost efficiency
and invest to become
best in class

 Build a net positive business to
secure our economic, social and
environmental future

 Our **sustainability focus areas** support strategic delivery by driving material impact and balancing short-term action with long-term ambition

Employees

Communities

Food security

Climate action

Responsible water
stewardship

Waste free

Responsible
sourcing

Protecting nature

Accountability

OUR VALUE CREATION MODEL

KEY: ▲ Increase ▼ Decrease ◀ Unchanged ■ Negative trend ■ Positive trend

Our value creation model enables us to transform our capital inputs into sustainable value for our stakeholders.

Through the purposeful management of the six capitals, we achieve a balance between driving growth and meeting the diverse needs of our stakeholders. This approach defines how we cultivate and preserve value, carefully managing the essential trade-offs required to maintain a sustainable and resilient business.

OUR BUSINESS INPUTS

The resources and relationships we use and affect to create value

- FC FINANCIAL CAPITAL**
The financial resources – including equity, debt and assets – utilised to fund our operations and sustain future growth
Page 18
- HC HUMAN CAPITAL**
The skills, expertise, experience and wellbeing of our employees, whose capabilities and engagement drive our strategy and long-term value creation
Page 18
- IC INTELLECTUAL CAPITAL**
Our proprietary brands, systems and organisational knowledge that underpin operational efficiency and value delivery
Page 19
- MC MANUFACTURED CAPITAL**
The physical infrastructure, equipment and facilities that enable efficient, large-scale production, packaging and distribution
Page 19
- NC NATURAL CAPITAL**
The natural resources we rely on – water, energy and agricultural inputs – which we safeguard through responsible stewardship, energy self-sufficiency and sustainable waste practices
Page 20
- SRC SOCIAL AND RELATIONSHIP CAPITAL**
The stakeholder relationships and trust – essential to our social licence to operate, built through responsible sourcing, community partnerships and ethical business practices
Page 20

Impacted by our operating context, risks and opportunities

Our operating context shapes our strategy and approach. We continuously assess and manage our evolving risk universe, while considering opportunities that arise

Our top Group risks and opportunities are detailed from page 39

Our operating context is detailed from page 21



OUR BUSINESS ACTIVITIES

How we create value

OUR BUSINESS OUTPUTS

What we produce

We produce trusted brands and private label products, deliver contracted business services to customers and partners and operate energy-reliant agricultural activities, facilities and manufacturing plants that generate carbon emissions and waste through our production processes and general operations.

PRODUCED IN 2026:

- ▼ 83 million jars of mayonnaise (2025: 85 million)
- ▲ 23 million jars of peanut butter (2025: 22 million)
- ▼ 60 420 tonnes of pet food (2025: 73 350 tonnes)
- ◀ 110 million pies (2025: 110 million)
- ▼ 34 million litres of beverages (2025: 38 million)
- ▼ 340 000 tonnes of flour (2025: 350 000 tonnes)
- ▲ 290 million units of bread, buns and rolls (2025: 280 million)
- ▼ 30 million units of speciality products (2025: 31 million)
- ▼ 591 690 tonnes of sugar (2025: 603 000 tonnes)
- ▼ 301 077 tonnes of animal feed (2025: 346 031 tonnes)

BY-PRODUCTS AND WASTE:

- ▼ 479 390 tonnes CO₂e carbon emissions (Scope 1 and 2) generated (2025: 551 309 tonnes CO₂e)
- ▲ 1 496 072 tonnes waste generated: (2025: 1 364 009 tonnes)

OUR BUSINESS OUTCOMES

The value we create, preserve or erode

Our outcomes are the internal and external consequences of transforming our capitals through our business activities.

The following section unpacks our capitals, trade-offs, outcomes and impacted stakeholders.



CAPITALS, TRADE-OFFS AND STAKEHOLDER OUTCOMES

As a multi-category branded food business, RCL FOODS continuously balances the needs of our stakeholders while managing trade-offs between short-term pressures and long-term sustainable value creation. These trade-offs arise as we allocate resources across our diverse portfolio in response to external market dynamics, internal priorities and stakeholder expectations. Our decision-making is guided by our integrated strategy and our responsibility to preserve and grow the six capitals underpinning our value creation model.

KEY: ▲ Increase ▼ Decrease ◀ Unchanged ■ Negative trend ■ Positive trend

[CLICK HERE FOR ICONS](#)

FC FINANCIAL CAPITAL

CAPITALS ENHANCED



INPUTS WE USED TO CREATE VALUE IN 2026

- **Market capitalisation** of R7,1 billion (2025: R9,4 billion)
- **Funding facilities available** of R2 350,0 million, which was unutilised as at 28 June 2026
- **Shareholders' equity** of R10,7 billion (2025: R10,4 billion)

CAPITALS DEPLETED



OUTCOMES OF OUR CAPITAL UTILISATION

- ▼ R2 184,7 million total operating profit before depreciation, amortisation and impairment (2025: R2 390,6 million)
- ▼ R1 437,4 million cash generated by operations (2025: R3 067,6 million)
- ▼ Underlying ROIC from continuing operations down 4.0% to 9.0% (2025: 13.0%)
- ▼ Net borrowings to shareholders' equity (gearing): 19.5% (2025: 20.1%)
- ▼ R943,8 million headline earnings (2025: R1 397,0 million)
- ▼ 40.0 cents per share in dividends paid to shareholders (2025: 60.0 cents)

STAKEHOLDERS IMPACTED



TRADE-OFFS

Adverse sugar market dynamics and production disruptions at our Pet Food plant resulted in lower cash generated for the year. We continued to responsibly invest in the asset base despite declines in profitability to protect the long-term sustainability of the business. As a result of the decline in profits and cash, dividends declared were reduced during the year.

HC HUMAN CAPITAL

CAPITALS ENHANCED



INPUTS WE USED TO CREATE VALUE IN 2026

- **A diverse workforce** of 10 402 permanent employees (2025: 10 154)
- **Salaries, wages and benefits paid** of R3,7 billion (2025: R4,0 billion)
- **Learning and development spend** of R48,1 million (2025: R49,5 million)

CAPITALS DEPLETED



OUTCOMES OF OUR CAPITAL UTILISATION

- ▲ 58% of top and senior management are historically disadvantaged South Africans (ACI), female or people living with disabilities (2025: 53%)
- ▼ 7 002 employees upskilled and developed (2025: 7 243)
- ▲ 44% employment equity at executive (E Band) level (2025: 40%)
- ▼ 881 terminations and an 8.5% turnover rate (2025: 1 117 and 11%)

STAKEHOLDERS IMPACTED



TRADE-OFFS

While our growing reputation as an employer of choice helps attract top talent, intense market competition presents ongoing retention challenges. To secure our human capital, we balanced short-term operational requirements with the long-term strategic need to address the industry-wide skills deficit. Investing in diverse talent development, active site engagement and conducive working conditions ensures our transformation goals support, rather than compromise, continuous operational excellence.

CAPITALS, TRADE-OFFS AND STAKEHOLDER OUTCOMES continued

KEY: ▲ Increase ▼ Decrease ◀ Unchanged ■ Negative trend ■ Positive trend

[CLICK HERE FOR ICONS](#)

IC INTELLECTUAL CAPITAL			
CAPITALS ENHANCED	CAPITALS DEPLETED	STAKEHOLDERS IMPACTED	
HC MC IC	FC	   	
INPUTS WE USED TO CREATE VALUE IN 2026 ● Brand equity: Over 20 well-known, trusted brands ● Centralised business services platform (supporting internal operations and third-party customers) ● Market leadership across core product categories (see page 9 for more details) ● IT infrastructure investment: R57,3 million (2025: R17,3 million)	OUTCOMES OF OUR CAPITAL UTILISATION ● Advanced strategic capabilities built across consumer marketing, data-driven decision-making, digital marketing excellence and export readiness ● Enterprise resource planning system launched to modernise transactional systems for several operating units ● Integrated customer support delivered through a high-performing business services platform, improving operational resilience and satisfaction ● Robust innovation pipeline developed, with new product launches grounded in consumer insight and affordability imperatives ● Active industry and Government engagement to advance long-term sustainability solutions for the sugar industry, including joint policy and research efforts ● Ongoing automation of manual processes and systems		TRADE-OFFS Our ability to generate and enhance intellectual capital depends on securing scarce skills, leveraging stakeholder insights and investing in digital transformation. Navigating constraints such as limited financial resources, competitor activity, and IT security risks requires careful investment decisions, but enables us to harness our organisational intelligence to drive greater market impact.

MC MANUFACTURED CAPITAL			
CAPITALS ENHANCED	CAPITALS DEPLETED	STAKEHOLDERS IMPACTED	
NC MC	FC MC	   	
INPUTS WE USED TO CREATE VALUE IN 2026 ● Our operations, including bakeries, mills, sugar farms, manufacturing plants and distribution assets in South Africa ● Capital expenditure of R1 124,3 million on fixed and intangible assets (2025: R931,9 million) ● Three renewable energy co-generation sites and two rooftop solar installations	OUTCOMES OF OUR CAPITAL UTILISATION ▲ 56 operations across South Africa (2025: 55) ▲ 45% of our total electricity needs generated by renewable energy (2025: 41%)		TRADE-OFFS Sustaining efficient, large-scale operations requires a robust asset base, yet declines in profitability and supply chain delays limit our ability to address all manufacturing needs simultaneously. In response, we traded immediate, widespread infrastructure upgrades for targeted investments in green energy. This tactical allocation allows us to modernise critical areas and manage operational risks effectively, ensuring that our physical footprint becomes inherently more sustainable and efficient. Capital expenditure was directed towards brand equity and innovation. Key investments included Sugar innovation and Baking production capability. These outlays increased short-term capital intensity to secure market competitiveness and growth.

CAPITALS, TRADE-OFFS AND STAKEHOLDER OUTCOMES continued

KEY: ▲ Increase ▼ Decrease ◀ Unchanged ■ Negative trend ■ Positive trend

[i](#) CLICK HERE FOR ICONS

NC NATURAL CAPITAL

CAPITALS ENHANCED



CAPITALS DEPLETED



STAKEHOLDERS IMPACTED



INPUTS WE USED TO CREATE VALUE IN 2026

- Energy generation demands:
 - » 94 527 tonnes of **coal** consumed (2025: 109 925 tonnes)
 - » 1 308 446 tonnes of **bagasse, husks and macadamia nuts** used (2025: 1 202 224)
 - » 9 014 kℓ **diesel** used (2025: 9 961 kℓ)
- Water usage requirements:
 - » **Municipal water usage:** 728 403 kℓ used (2025: 776 579 kℓ*)
 - » **Surface water (from rivers and dams) usage:** 125 426 387 kℓ used (2025: 175 440 472 kℓ*)

OUTCOMES OF OUR CAPITAL UTILISATION

- ▼ 13% less purchased (Eskom) electricity used (2025: 44% decrease)
- ▼ 14% less coal used (2025: 43% decrease)
- ▼ 10% less diesel used (2025: 27% decrease)
- ◀ 12% of our waste was landfilled (2025: 12%)
- ▼ 6.2% decrease in municipal water withdrawn (2025: 88% decrease)
- ▼ 29% decrease in surface water withdrawn due to decreased irrigation in Sugar (2025: increase of 14%)
- ▲ 1 316 150 tonnes of waste recycled, reused or reworked – reducing waste and supporting a circular economy (2025: 1 201 055 tonnes)

TRADE-OFFS

Our manufacturing operations rely on secure, predictable access to water and power. In response to rising supply risks, we chose to absorb near-term capital costs to modernise our utility infrastructure and expand renewable energy capacity. This strategic choice balances immediate budget pressures with the long-term need for operational resilience, ensuring our business remains competitive while significantly reducing our environmental footprint. A similar tension applies to packaging, where more sustainable options carry a material cost premium, affecting margins and requiring trade-offs.

* Previously reported water withdrawal volumes have been restated following improvements in water consumption monitoring and verification during the year.

SRC SOCIAL AND RELATIONSHIP CAPITAL

CAPITALS ENHANCED



CAPITALS DEPLETED



STAKEHOLDERS IMPACTED



INPUTS WE USED TO CREATE VALUE IN 2026

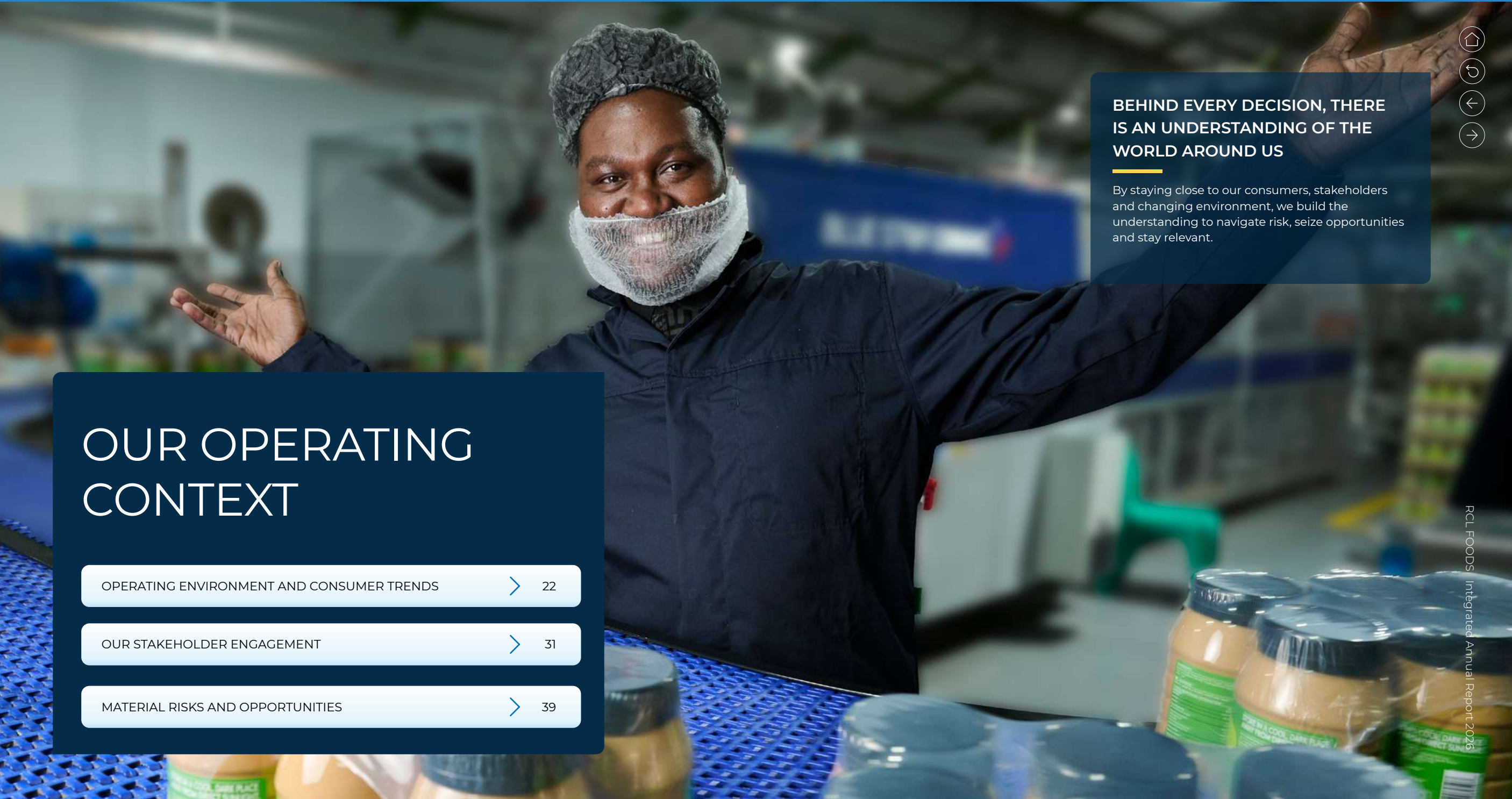
- **Diverse and stable supplier network**, with **1 426** local suppliers directly supported through procurement (2025: 1 439)
- **Ongoing engagement with key stakeholders** to manage stakeholder expectations and operational stability
- **Responsible ESG practices embedded across operations** to sustain trust and support long-term stakeholder relationships across operations

OUTCOMES OF OUR CAPITAL UTILISATION

- ◀ B-BBEE procurement spend of R11,3 billion on B-BBEE-compliant suppliers (2025: R12,4 billion)
- ▼ CSI spend of R19,8 million (2025: R21,8 million)
- ◀ Livelihoods supported for **1 100** small-scale growers in Nkomazi who generated approximately **R596 million** from the supply of **577 000** tonnes of cane to our mills (2025: 1 100 farmers, R596 million and 577 000 tonnes)
- ▼ **228 jobs** and **R63 million** in lease payments provided during the year to land claim beneficiary communities in Nkomazi (2025: 597 and R80 million)
- ▲ National human capital supported through payment of **R35,82 million** in skills development levies (2025: R33,65 million)
- ▼ **6 million** meals provided to ease hunger among vulnerable young children and communities through the DO MORE FOUNDATION in partnership with other funders (2025: 8 million)

TRADE-OFFS

To maintain our social licence to operate, we balance the trade-off between driving inclusive procurement and maintaining commercial competitiveness. Nurturing emerging local suppliers requires a dedicated investment of time and resources, which can present near-term cost and service-level constraints. However, these partnerships unlock critical opportunities to secure long-term value, advance localisation and foster deep community trust.



BEHIND EVERY DECISION, THERE IS AN UNDERSTANDING OF THE WORLD AROUND US

By staying close to our consumers, stakeholders and changing environment, we build the understanding to navigate risk, seize opportunities and stay relevant.

OUR OPERATING CONTEXT

- OPERATING ENVIRONMENT AND CONSUMER TRENDS > 22
- OUR STAKEHOLDER ENGAGEMENT > 31
- MATERIAL RISKS AND OPPORTUNITIES > 39



OPERATING ENVIRONMENT AND CONSUMER TRENDS

RCL FOODS operates within a dynamic environment shaped by shifting macroenvironmental conditions and evolving consumer trends. These forces present a range of opportunities and challenges across the short, medium and long term. Through the disciplined execution of our strategy, we aim to capitalise on these prospects and mitigate potential risks, ensuring we continue to create sustainable value and remain focused on what matters to all our stakeholders.



OPERATING ENVIRONMENT AND CONSUMER TRENDS continued[i](#) [CLICK HERE FOR ICONS](#)

1. Navigating persistent economic pressure through value-driven loyalty

AFFECTED STAKEHOLDERS



Price sensitivity and value-driven purchasing behaviour have become defining features of the consumer environment. This is shaped by sustained pressure on household disposable income from elevated food, fuel and transport costs, high borrowing costs and broader economic uncertainty.

While some consumer sentiment indicators may suggest improving confidence, everyday shopping behaviour points to continued financial strain, with consumers planning purchases more carefully, comparing prices, reducing discretionary spend and relying more on promotions and loyalty programmes. In this context, private label growth reflects increased consumer choice and stronger competition across value tiers. These products have matured in quality and relevance, giving shoppers more affordable options while encouraging retailers and national brands to strengthen their value propositions, innovation and loyalty strategies.

CONSUMERS AT A GLANCE

Consumers' top three concerns:

Increased cost of living

70%

Economic slowdown

41%

Job insecurity

38%

Sources: StatsSA (2025), South African Reserve Bank (SARB) 2025/2026, Nielsen Consumer Outlook: Guide to 2026.

SOUTH AFRICANS ARE COST CONSCIOUS



Sources: Trade Intelligence Private Brands Report, NielsenIQ South Africa Consumer Outlook: Guide to 2026.

A commitment to affordable innovation is fundamental to ensuring our product range evolves in line with consumer lifestyles and household budgets. By blending value with creativity, we remain relevant to our customers' everyday needs.

WHAT IT MEANS FOR RCL FOODS

MATERIAL RISKS AFFECTED

- Pricing pressure
- Reduced demand
- Commodity pricing

OPPORTUNITIES

- Expanding tiered product ranges to retain value-seeking market segments and bolster resilience
- Utilising advanced analytics and consumer insights for precise, agile decision-making on pricing and promotional architecture
- Driving retail collaborations focused on mutual operational gains and value preservation
- Prioritising investment in e-commerce, out-of-home and informal channels to track consumer migration

OUR STRATEGIC RESPONSE

- Driving data-led pricing and marketing strategies to offer budget-conscious shoppers high-quality, channel-specific value while safeguarding profitability
- Scaling value tier offerings, including Yum Yum Peanut Spread and Nola Street Style Mayonnaise
- Optimising net revenue management and continuous improvement initiatives to balance consumer affordability with robust margin protection
- Managing price-to-volume sensitivity on staple items like bread to maintain market share amid significant consumer constraints
- Mitigating cost volatility through strategic commodity procurement and production efficiencies

[Read more in the Right Growth section from page 82](#)

OPERATING ENVIRONMENT AND CONSUMER TRENDS continued

[CLICK HERE FOR ICONS](#)

2. Evolving consumer food preferences beyond affordability

AFFECTED STAKEHOLDERS



Dietary habits across different income brackets in South Africa are increasingly disparate. While the larger, budget-constrained majority continues to rely on low-cost staples, the medium to high-income segments are aligning with global shifts toward health, sustainability and ingredient transparency.

Despite this economic divide, a universal demand is emerging across all income levels for food that balances affordability with quality nutrition. Within certain segments, there are also heightened expectations for ethical sourcing, clean labelling and convenience. Consumers want tangible benefits that simplify their lives and align with their values.

WHAT IS GUIDING CONSUMER CHOICE AND ASPIRATIONS BEYOND PRICE

Affordability remains the number one concern for South African consumers – 70% cite increased cost of living as their top concern (see previous page). Beyond price, the following themes are increasingly shaping choice and aspirations:

HEALTH AND TRANSPARENCY

Consumers increasingly expect food brands to support their health goals – through clean ingredients, honest labelling and responsibly sourced products that remain accessible across income levels



switch brands for **health benefits**



plan to eat more **fresh produce**



are concerned about **ultra-processed ingredients and pesticide use**



would pay **more for sustainable food** – above the 44% global average

TECHNOLOGY AND CONVENIENCE

Digital-first engagement, AI-ready product information and convenient formats are becoming baseline expectations, particularly among younger, tech-enabled consumers

Nearly **40%**

have explored **non-traditional retail channels** (subscription, on-demand grocery, meal kits) in the past year

Consumers use **AI for meal planning, calorie counting and personalised nutrition guidance**

Convenience is no longer a trade-off – it is a baseline expectation, with quick meals, ready-to-eat formats and delivery driving choice (beyond affordability)

Consumers are intentional with their spending, directing their loyalty toward retailers and brands that have earned their trust.

WHAT IT MEANS FOR RCL FOODS

MATERIAL RISKS AFFECTED

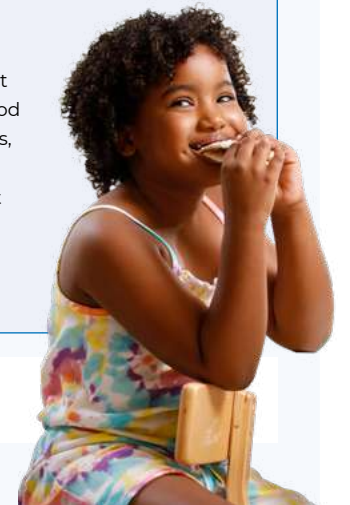
- Reduced demand
- Pricing pressure
- Food and product safety

OPPORTUNITIES

- Expanding healthy, convenient and clean-label ranges to meet the needs of value-seeking and wellness-focused consumers across income segments
- Tracking emerging trends through consumer engagement to sharpen product development and market response
- Deepening consumer connection through digital platforms to enable targeted, agile brand messaging
- Delivering on our ambition to provide safe, high-quality and accessible food products

OUR STRATEGIC RESPONSE

- Applying shopper research and analytics to sharpen portfolio strategy, investment choices and in-market execution
- Leveraging retail and third-party e-commerce platforms to accelerate digital sales growth
- Partnering with quick-service restaurant chains to expand product reach and drive mutual growth
- Innovating for convenience and on-the-go consumption through an expanded frozen convenience foods and a ready-to-bake range
- Delivering plant-based alternatives through the LIVEKINDLY Collective Africa JV
- Bolstering consumer trust through strengthened food safety and quality systems, targeted investment, continuous improvement and collaboration across the value chain



Read more in the Right Growth section from page 82

Source: PwC's Voice of the Consumer survey 2025, based on feedback from over 1 000 South African respondents.

OPERATING ENVIRONMENT AND CONSUMER TRENDS continued

[i](#) [CLICK HERE FOR ICONS](#)

3. Navigating trade policy and regulatory changes

AFFECTED STAKEHOLDERS



Shifting trade policies and regulatory frameworks significantly impact our competitiveness, particularly in the Sugar business unit.

An ineffective tariff formula fails to protect local producers from subsidised deep-sea imports, a situation that has further exacerbated the instability at Tongaat Hulett.

IMPACT OF SUGAR IMPORTS ON THE LOCAL SUGAR INDUSTRY

Deep-sea imports exceeded

212 600 tonnes

by the end of June 2026 (a 24.2% increase on 2025)

The sugar industry experienced a significant revenue loss from having to sell more sugar in the significantly lower-priced raw export market

Source: South African Sugar Association (SASA).



WHAT IT MEANS FOR RCL FOODS

MATERIAL RISKS AFFECTED

- Non-compliance with legislation
- Supply chain disruption
- Commodity pricing
- Pricing pressure
- Sugar industry

OPPORTUNITIES

- Advocating for tariff reform through industry data and co-ordinated engagement to strengthen protection against subsidised imports
- Capturing domestic market share opportunities created by competitor instability while reinforcing supply reliability
- Diversifying into higher-margin downstream applications to reduce exposure to raw sugar import volatility
- Strengthening partnerships with industry and Government bodies to support durable Sugar Industry Master Plan protections

OUR STRATEGIC RESPONSE

- Engaging proactively with industry and state bodies to shape more effective tariff and trade protection mechanisms
- Monitoring shared industry financial structures to manage exposure to regulatory and sector instability
- Optimising domestic channel mix and market participation to protect price realisation in disrupted trade conditions
- Driving cost discipline across milling and agricultural operations to preserve resilience amid policy and market volatility
- Advancing strong commercial execution, cost control and effective risk mitigation



Read more in the Right Growth section from page 82 and the CFO's report from page 59.

OPERATING ENVIRONMENT AND CONSUMER TRENDS continued

[i](#) [CLICK HERE FOR ICONS](#)

4. The premiumisation and humanisation of pet nutrition

AFFECTED STAKEHOLDERS



Driven by humanisation and premiumisation, the South African pet food market is projected to reach around R21,9 billion by 2031. Pet owners increasingly prioritise wellness, demanding human-grade, clean ingredients and minimally processed formats such as raw or freeze-dried foods.

Key health concerns include digestion, joint care, weight management, dental health and healthy skin. There is also a rising demand for sustainable, locally sourced ingredients, such as wild game. More owners travel with their pet companions and are looking for functional, resealable packaging and convenient to-go options. Wet foods and treats are also expanding as owners seek more ways to pamper their pets. In line with premiumisation, volume sales are shifting from grocery stores to pet shops.

Source: Mordor Intelligence: South Africa Pet Food Market Size and Share Analysis.



WHAT IT MEANS FOR RCL FOODS

MATERIAL RISKS AFFECTED

- Food and product safety
- Pricing pressure
- Reduced demand

OPPORTUNITIES

- Extending portfolio relevance across the value-to-premium spectrum as the category evolves towards holistic pet care
- Accelerating premium diversification through ethical ingredients, sustainable packaging and higher-value formats
- Developing differentiated product tiers and channel strategies aligned to varying pet-owner needs and purchasing power
- Leading category innovation in specialised nutrition, natural ingredients and functional pet care solutions

OUR STRATEGIC RESPONSE

- Diversifying the portfolio through targeted acquisitions into wet food, biscuits and treats through acquisition and branding capabilities
- Leveraging internal capabilities and consumer insights to drive continuous innovation in pet nutrition and holistic care
- Executing targeted growth in the Speciality Pet Food Channel through a focused route-to-market and portfolio review
 - » Repositioning the portfolio with channel-specific offerings for agri-stores, supermarkets, e-commerce and veterinary retail
 - » Enhancing digital engagement across online and omnichannel platforms to grow category sales and strengthen shopper loyalty



Read more in the Right Growth section from page 82

OPERATING ENVIRONMENT AND CONSUMER TRENDS continued

[CLICK HERE FOR ICONS](#)

5. An increasingly constrained and volatile resource environment

AFFECTED STAKEHOLDERS



RCL FOODS operates within a volatile operating environment where systemic water and energy insecurity remain entrenched. While economic reforms are underway, the municipal and national infrastructure development essential to economic stability is slow. Climate variability, exacerbated by El Niño and its projected dry weather, has made droughts a critical threat to crops.

Operational margins remain under pressure from above-inflation tariff increases and rising resource costs. Global supply chain disruptions further impact costs and resource availability. To ensure long-term sustainability and business continuity, the Group must accelerate our transition toward a resource-efficient, low-carbon, circular economy, building climate-resilient operations capable of navigating these environmental and economic headwinds.



Read our CFO's report from page 59 for a detailed overview of the market conditions.

WHAT IT MEANS FOR RCL FOODS

MATERIAL RISKS AFFECTED

- Energy security and pricing
- Water security and pricing
- Commodity pricing
- Supply chain disruption

OPPORTUNITIES

- Enhancing resource efficiency and operational competitiveness to lower costs and protect margins in a constrained environment
- Expanding on-site renewable energy, co-generation and efficiency projects to reduce tariff exposure and lower emissions
- Strengthening water stewardship through recycling, recovery and precision agriculture to safeguard production continuity
- Embedding responsible sourcing practices to build long-term resource resilience and reinforce brand trust
- Building integrated operational resilience through sustainability initiatives that support long-term growth
- Driving circularity, waste reduction and systematic food loss prevention across the supply chain to extract value, cut disposal costs and improve resource productivity

OUR STRATEGIC RESPONSE

- Funding targeted sustainability projects across energy and water across all sites
- Safeguarding supply chain continuity through risk-adjusted inventory strategies and resilience planning
- Hedging strategic commodity positions, where appropriate, to mitigate input cost volatility
- Deploying robust business continuity plans to protect operations from supply disruption and extreme weather events
- Piloting regenerative agriculture practices, including cover cropping in Sugar, to strengthen long-term soil and resource resilience

OPERATING ENVIRONMENT AND CONSUMER TRENDS continuedi [CLICK HERE FOR ICONS](#)

6. Heightened expectation for corporate accountability and social responsibility

AFFECTED STAKEHOLDERS



We operate within a complex landscape of interconnected socioeconomic, environmental and regulatory challenges. In South Africa, high levels of poverty, inequality and unemployment are exacerbated by persistent food insecurity. This has resulted in 23% of children suffering from severe food poverty¹, which could impact children's development.

Food security means more than just having enough to eat; it is about consistent access to food that provides proper nutrition for health, development and dignity. Poor diets contribute to a health crisis marked by the triple burden of malnutrition, undernutrition and overnutrition.

38%

of households are reducing food intake or skipping meals

Unemployment rate up to

31.4%

7.8 million

people without jobs

Severe hunger rate

8%²

Nearly

30%

of the total population is food insecure

Approximately **8 million** people are suffering from severe food insecurity

1 in 4 children under age five is suffering from stunting

Adding to this complexity, service delivery failures often trigger social unrest in many communities. Escalating crime, including hijackings in our Baking operations and criminal pressure on our supply chains, poses significant risks to business continuity and safety. Furthermore, the effects of climate change are straining infrastructure, agricultural systems and food security. Stakeholders are demanding greater transparency regarding our environmental impact, our sustainable livelihoods and our responsible production. Meaningful engagement is critical to maintaining our licence to operate and to driving long-term value creation. We remain committed to providing safe, affordable food and to conducting our business in a socially responsible manner.

WHAT IT MEANS FOR RCL FOODS

MATERIAL RISKS AFFECTED

- Health and safety
- Societal unrest
- Non-compliance with legislation
- Food and product safety

OPPORTUNITIES

- Creating shared value by addressing societal challenges in ways that strengthen stakeholder trust and reinforce our licence to operate



OUR STRATEGIC RESPONSE

- Implementing targeted socioeconomic development initiatives in communities closest to our operations
- Localising employment, enterprise development and procurement around our operating footprint to strengthen community resilience and trust
- Engaging stakeholders proactively on our contribution to food security, affordable nutrition and shared-value creation through the DO MORE FOUNDATION
- Supporting early childhood nutrition and food security through the DO MORE FOUNDATION
- Contributing to overall food security by offering value-tiered products for cash-strapped consumers, producing fortified products to increase nutrition levels for staples and reducing salt and sugar content in food
- Advancing employment equity at management level to support transformation and strengthen organisational accountability
- Responding proactively to tightening ESG expectations and disclosure requirements to strengthen accountability and transparency

¹ UNICEF.

² This represents the most acute level of food deprivation on the Food Insecurity Experience Scale.

Sources: World Health Organization, The State of Household Food Insecurity in South Africa 2026 Report, Food Forward SA – A Nation at Risk Research Report (2025/2026), Shoprite Group Food Security Index 2025, Statistics South Africa (2025).



Read more in the People First section from page 70.



Read more in the DO MORE FOUNDATION report at <https://domore.org.za/>.

OPERATING ENVIRONMENT AND CONSUMER TRENDS continued

[CLICK HERE FOR ICONS](#)

7. Tightening competition for critical skills and future-fit talent

AFFECTED STAKEHOLDERS



In 2026, national unemployment remains critically high, with 7,8 million¹ people without work. At the same time, the gap between available talent and industry requirements persists, with 84%² of large corporations reporting significant difficulty in finding skilled talent.

The South African skills crisis is driven by three converging structural shifts that have fundamentally changed the labour market. The emergence of an AI paradigm has established AI and data literacy as the most challenging competencies to source. This is followed by shortages in engineering and trade skills. The brain drain persists as seasoned technical professionals emigrate. As sustainability legislation gains traction, competition for science, technology, engineering and mathematics skills related to renewable energy and sustainable agricultural systems is intensifying.

At RCL FOODS, these constraints are most evident in the availability of technical artisans and engineers. This deficit is exacerbated by rapid digital transformation, which is redefining workforce needs, demanding new skill sets and fuelling concerns over job security. Evolving employee expectations mean that talent now prioritises meaningful work, flexibility, inclusive leadership and mental wellbeing. Navigating this competitive landscape requires a dedicated focus on securing and nurturing a future-fit talent pipeline to ensure long-term resilience and success.



¹ Statistics South Africa (2026).

² 2025 Xpatweb Critical Skills Survey.

WHAT IT MEANS FOR RCL FOODS

MATERIAL RISKS AFFECTED

- Supply chain disruption

OPPORTUNITIES

- Building future-fit capabilities to reduce exposure to scarce skills and strengthen strategic execution
- Closing critical capability gaps through targeted technical, digital and leadership development
- Strengthening attraction and retention through an inclusive, purpose-led employee value proposition
- Accelerating digital fluency and adaptability to unlock productivity and sustain competitiveness

OUR STRATEGIC RESPONSE

- Embedding a tailored diversity, equity and inclusion roadmap with measurable outcomes to strengthen a high-performance culture
- Advancing employment equity through stronger governance, targeted development and broader representation in skilled and leadership roles
- Maintaining fair and competitive reward practices through structured benchmarking and disciplined remuneration management
- Strengthening wellbeing, psychological safety and operational safety to support engagement, resilience and retention
- Building inclusive leadership and future-fit capabilities through targeted learning and development across the organisation
- Addressing cultural barriers and critical technical talent gaps through focused change enablement and capability-building
- Using targeted staff incentives to lift productivity, deepen engagement and retain critical skill



Read more in the People First section from page 70 and Future Fit section from page 92.

OPERATING ENVIRONMENT AND CONSUMER TRENDS continued

[CLICK HERE FOR ICONS](#)

8. Rapid acceleration of digital innovation and automation across the value chain

AFFECTED STAKEHOLDERS



Digital innovation and automation have transitioned from emerging trends into fundamental pillars in the fast-moving consumer goods (FMCG) sector. Manufacturing facilities are increasingly adopting agentic AI and autonomous robotics to streamline production. These technologies are also revolutionising forecasting and data analytics by changing static, historical models into dynamic systems that can boost productivity.

However, rapid technological adoption also introduces new challenges. As AI becomes more autonomous, data governance and ethical decision-making become more complex, especially when transparency and privacy are at stake. Cyber security threats have intensified as generative AI is used to launch more sophisticated attacks. Navigating this landscape requires digital fluency and resilience to ensure operations remain secure.

This shift coincides with fundamental changes to consumer behaviour, particularly as mobile penetration and platform convergence accelerate. In a price-sensitive economy, shoppers use digital tools to compare prices and track promotions across commerce platforms. Social media plays an important role in influencing purchasing decisions, but this also introduces reputational risks through digital activism and misinformation.



WHAT IT MEANS FOR RCL FOODS

MATERIAL RISKS AFFECTED

- Non-availability of IT systems
- Supply chain disruption
- Pricing pressure

OPPORTUNITIES

- Harnessing digital capability and consumer insight to sharpen forecasting, optimise revenue management and enable faster, insight-led decisions
- Accelerating digital fluency to embed connected, data-driven ways of working and unlock workforce productivity
- Scaling automation and generative AI to reduce structural costs, strengthen controls and improve productivity
- Strengthening cyber resilience and data governance to secure digital operations and build stakeholder trust
- Deploying digital tools to advance ESG performance through greater efficiency, lower waste and more transparent stakeholder engagement

OUR STRATEGIC RESPONSE

- Strengthening cyber security across IT and operational environments through ongoing control enhancements, including insurance against cyber attacks
- Building digital and data science capabilities to scale advanced forecasting, promotional analytics and growth planning
- Deploying advanced commercial and operational tools to improve trading, customer spend management and agricultural decision-making
- Expanding process automation across core functions to contain costs, strengthen controls and improve data quality
- Simplifying and scaling the data ecosystem to accelerate digital delivery and unlock cross-functional insight
- Using digital platforms and automation to improve efficiency across packaging, workforce management, expenses and customer service
- Enhancing investment and growth decisions through stronger channel data, AI-enabled execution and external benchmarking
- Equipping employees with digital tools and insights to raise performance and embed future-fit capabilities
- Optimising resources through automation and dashboards to lift productivity, energy efficiency and sustainability performance
- Using digital tools to support ESG priorities through lower waste and more transparent, responsive stakeholder engagement

OUR STAKEHOLDER ENGAGEMENT

Building strong, collaborative relationships is essential to achieving our purpose and delivering enduring value. We engage with various stakeholder groups, including those that impact our business decisions and performance, as well as those affected by our operations.

CLICK HERE FOR ICONS



COMMUNITIES

Communities include individuals, households, local forums, traditional authorities, local Government and leadership structures in the areas where we operate and employ people. They are key to our business continuity, local economic development, workforce stability and maintaining our social licence to operate.

RELATED RISKS

- Supply chain disruption
- Societal unrest
- Non-compliance with legislation

KEY COMMUNITY NEEDS AND EXPECTATIONS

- Access to local employment and youth opportunities
- Improved food security and nutrition support for vulnerable families
- Expanded access to ECD support and services
- Access to skills development, enterprise development and supplier inclusion opportunities
- Collaboration to address service delivery and infrastructure constraints, with growing expectations for the Group to contribute to solutions



QUALITY OF THE RELATIONSHIP



We maintain strong and collaborative relationships with communities across our areas of operation.

CAPITALS IMPACTED



STRATEGIC PILLAR

People First
Right Growth
Future Fit

HOW WE ENGAGE

A comprehensive five-pillar activation strategy drives our community engagement framework. Guided by a risk-based approach that reflects the unique community context of each operation, we leverage formal and informal partnerships and local Government to address community concerns and seek opportunities for economic development and inclusion. We are driving localisation of our supply chain and procurement, and we are seeking to uplift our local enterprises to help our communities prosper. This includes our Sugar JVs, in which we are vertically integrated and partner with land claim beneficiaries. We extend our support through robust supplier development programmes for community enterprises and small-scale farmers in our host communities. This strategy is implemented on-site by local teams who maintain regular dialogue with community members alongside local service providers and multi-stakeholder initiatives.

HOW WE RESPOND TO COMMUNITY NEEDS

- Creating local employment and economic participation opportunities by localising recruitment and expanding procurement from suppliers and growers within our operating footprint, strengthening household incomes and supporting sustainable local economies
- Strengthening household food security and child nutrition outcomes by providing staple foods and meals to vulnerable families through DO MORE FOUNDATION programmes, with a specific focus on young children
- Expanding access to quality ECD services by funding, delivering and scaling evidence-based ECD models such as *Everyone Gets to PLAY*, including caregiver support, mobile and home-based platforms and targeted learning resource distribution
- Building sustainable livelihoods among small-scale and emerging producers by providing agricultural, technical and enterprise development support to sugar grower communities, emerging wheat farmers and community enterprises, improving productivity, market access and long-term viability
- Enabling youth development and future employability by supporting education pathways and skills exposure initiatives, including learner support programmes such as the Star Schools initiative in Nkomazi
- Improving community resilience during infrastructure and service delivery disruptions by collaborating with local stakeholders to support the restoration of essential services where breakdowns threaten livelihoods, safety or access to food
- Supporting inclusive local economic development and social cohesion by partnering with Government, traditional leadership and community structures on multi-stakeholder initiatives that promote participation, trust and shared value
- Promoting animal welfare within vulnerable communities by donating food and feed to local animal welfare organisations, supporting community level animal care and wellbeing
- Mobilising employee skills and time to strengthen community services by enabling structured employee volunteering through the DO MORE Heroes programme, with a focus on ECD centres and community-based support organisations
- Enhancing stakeholder understanding of our contribution to local development by communicating the impact of our procurement, supplier development, CSI and social cohesion initiatives through structured and targeted community engagement

KEY: ● CHALLENGED ● MODERATE ● STRONG

OUR STAKEHOLDER ENGAGEMENT continued

 [CLICK HERE FOR ICONS](#)

 CONSUMERS

Consumers are the individuals and households who purchase and use our food products across South Africa and selected export markets. As the end users, consumers shape how we innovate, manufacture and market our products. Meeting consumer needs is essential to sustaining brand loyalty, growing market share and creating long-term value.

RELATED RISKS

- Food and product safety
- Non-compliance with legislation
- Pricing pressure
- Reduced demand

KEY CONSUMER NEEDS AND EXPECTATIONS

- Reliable product availability and consistent shelf presence
- Safe, high-quality food products
- Affordable access to quality nutrition, particularly in the context of household food insecurity
- Convenient product formats suited to modern lifestyles
- Clear, accurate and compliant product labelling
- Products that deliver nutritional value
- Responsible production that minimises environmental and social impact

QUALITY OF THE RELATIONSHIP

 We maintain a positive relationship with our consumers, supported by strong brand equity, active social media engagement and consistent feedback through our consumer care line.

CAPITALS IMPACTED

STRATEGIC PILLAR

Right Growth
Future Fit

HOW WE ENGAGE

To foster open dialogue and support, our consumer engagement includes multiple direct and indirect channels. Direct touchpoints, including our corporate website, social media, traditional marketing platforms and a 24-hour consumer care line, allow us to resolve queries and gather direct feedback. We use selected retail and e-commerce channels to improve product accessibility and strengthen our digital consumer presence.

HOW WE RESPOND TO CONSUMER NEEDS

- Ensuring reliable product availability by strengthening forecasting, production planning and in-market execution
- Safeguarding food safety and quality by applying ISO-aligned systems and continuous assurance across the value chain
- Improving affordability and access to nutrition by offering a broad range of value tier and staple food products
- Responding to lifestyle needs by innovating in convenient formats suited to modern consumption patterns
- Providing clear and compliant product information through accurate labelling and transparent communication
- Incorporating consumer insight into innovation and portfolio decisions to improve relevance and value
- Engaging consumers on social and sustainability issues through DO MORE FOUNDATION initiatives and targeted communication
- Responding immediately to the in-period Pet Food quality challenges and acting swiftly to remove any affected products from trade



OUR STAKEHOLDER ENGAGEMENT continued

 [CLICK HERE FOR ICONS](#)

CUSTOMERS

Customers include retail, wholesale, food service, export and industrial partners who purchase our products for resale or further processing locally and internationally. They are critical to reaching consumers, expanding categories, growing market share and driving sustainable revenue and profitability.

RELATED RISKS

- Supply chain disruption
- Food and product safety
- Pricing pressure
- Non-compliance with legislation

KEY CUSTOMER NEEDS AND EXPECTATIONS

- Consistent product quality and food safety
- Responsive service and dependable execution
- Tailored commercial and sales solutions
- Profitable category growth
- Efficient supply chains and disciplined working capital management
- Mutually beneficial partnerships
- Access to promotional and growth opportunities

QUALITY OF THE RELATIONSHIP



We maintain strong and collaborative relationships with our customers across the retail, wholesale, food service, industrial and export channels.

CAPITALS IMPACTED



STRATEGIC PILLAR

Right Growth
Future Fit

HOW WE ENGAGE

We collaborate with customers through strategic planning sessions to drive shared growth priorities, supported daily by a dedicated sales interface team focused on operational and service excellence. Our engagement is deliberately structured around accelerating profitable category growth. We achieve this by deploying impactful, brand-led campaigns and utilising shopper data insights to inform and strengthen joint decision-making.

HOW WE RESPOND TO CUSTOMER NEEDS

- Developing products that minimise wastage and support margins
- Providing technical expertise and support in the animal feed and industrial flour sectors
- Delivering consistent product quality and food safety through disciplined manufacturing and quality controls
- Providing responsive service and dependable execution through a dedicated sales interface and service model
- Supporting profitable category growth by applying shopper data, joint planning and brand-led campaigns
- Improving supply chain efficiency by strengthening planning and execution
- Developing tailored commercial solutions that align with customer channel strategies and growth priorities
- Expanding customer value by broadening the portfolio and basket of relevant product solutions



OUR STAKEHOLDER ENGAGEMENT continued

 [CLICK HERE FOR ICONS](#)

EMPLOYEES

Employees include all permanent and fixed-term staff across our business units and operational sites in South Africa. As the custodians of our brands, operations and shopper relationships, our employees' skills, wellbeing and engagement are critical to building a high-performance and inclusive organisation.

RELATED RISKS

- Health and safety
- Industrial action
- Non-compliance with legislation

KEY EMPLOYEE NEEDS AND EXPECTATIONS

- Access to career growth, upskilling and learning opportunities
- A diverse, inclusive and equitable workplace
- Transparent communication and meaningful employee engagement
- Health, safety and holistic wellbeing support
- Fair and competitive remuneration and benefits
- Purpose-led work with opportunities to contribute to community impact
- Flexibility through remote or hybrid working options where appropriate
- Participation in short-term incentive and long-term value creation schemes
- Support for work-life integration, particularly for employees with parenting responsibilities

QUALITY OF THE RELATIONSHIP



We strive to maintain a generally positive relationship with our employees, supported by open communication, consistent engagement and an emphasis on listening and responsiveness.

CAPITALS IMPACTED



STRATEGIC PILLAR

People First

HOW WE ENGAGE

We connect with our employees through multi-channel digital communications, regular management updates and structured feedback platforms, such as satisfaction surveys and town hall forums. This open dialogue is reinforced by employee representative structures, like the Let's Talk mobile app and our confidential Hayibo tip-off line. Our commitment to a holistic workplace culture is driven by on-site initiatives, including wellness days, mobile and permanent occupational health clinics and safety, health, environment, risk and quality (SHERQ) recognition campaigns. Additionally, our people bring our broader purpose to life through the DO MORE Heroes programme, supported by tailored training frameworks that address individual and functional skills requirements.

HOW WE RESPOND TO EMPLOYEE NEEDS

- Promoting inclusion and equity by advancing employment equity and embedding inclusive leadership through Circle Conversations
- Strengthening engagement and recognition by reinforcing values-led behaviour through the Values Recognition Awards and ongoing people recognition initiatives
- Supporting health, safety and wellbeing by embedding a safety first culture through the Safety – a way of life campaign and providing access to physical, mental and emotional wellbeing support via the YouMatter Employee Assistance Programme
- Maintaining transparent and meaningful engagement by enabling open dialogue through town halls, surveys, the Let's Talk mobile app and the Hayibo confidential tip-off line
- Rewarding performance and productivity by maintaining fair and competitive remuneration practices supported by benchmarking and operational short-term incentive schemes
- Enabling purpose-led contribution by supporting employee participation in community impact through structured volunteering via the DO MORE Heroes programme
- Supporting flexibility and work life integration by offering hybrid and flexible working arrangements where operationally appropriate through the MORE FLEX model



OUR STAKEHOLDER ENGAGEMENT continued

[i](#) [CLICK HERE FOR ICONS](#)

GOVERNMENT

Government includes national, provincial and local departments that shape the legislative, policy and service delivery environment. Engagement is key to sector development, competitive market protection, compliance and advancing priorities such as food security, jobs, service delivery, crime and security, infrastructure and ECD, while creating a business environment that supports sustainable growth and innovation.

RELATED RISKS

- Non-compliance with legislation
- Societal unrest
- Energy security and pricing
- Water security and pricing

KEY GOVERNMENT NEEDS AND EXPECTATIONS

- A sustainable and competitive sugar industry challenged by continued and sustained deep-sea imports, exacerbating the uncertainty in the Tongaat Hulett environment
- Effective import tariff mechanisms for key categories such as sugar, wheat and peanuts
- Improved energy and water security
- Advancement of circular economy outcomes through waste diversion and resource recovery
- Accelerated infrastructure development
- Alignment with industry growth and development plans
- Sustainable land reform and industry transformation
- Progress on employment equity and B-BBEE
- Compliance with water use rights and broader regulatory requirements
- Employment creation and socioeconomic transformation
- Support for national food security priorities
- Implementation of the National Integrated ECD Policy
- A focus on crime and security

QUALITY OF THE RELATIONSHIP



We continue to build positive, constructive relationships with the Government, growing our reputation and relevance through active participation in industry and policy forums.

CAPITALS IMPACTED



STRATEGIC PILLAR

Right Growth
Future Fit

HOW WE ENGAGE

We engage constructively with the Government through direct dialogue, collaborative planning and regular institutional meetings, supported by transparent updates in our annual integrated and interim reports. To strengthen our collective industry voice, we actively participate in sector bodies such as the Consumer Goods Council of South Africa (CGCSA). Furthermore, we contribute directly to national priority workstreams, spanning energy, logistics, crime reduction and water, through high-level collaborative platforms such as the Business Unity South Africa CEO Pledge.

HOW WE RESPOND TO GOVERNMENT NEEDS

- Supporting national food security priorities through collaboration and targeted nutrition initiatives
- Contributing to industry sustainability by participating in the master plan for sugar and industry bodies for wheat, bread, pet food and peanuts
- Engaging constructively on trade and tariff matters to support competitive local industries
- Advancing transformation through inclusive employment, skills development and supplier development
- Strengthening regulatory compliance through structured governance and proactive engagement
- Partnering on ECD delivery by supporting implementation of the National Integrated ECD Policy
- Collaborating on infrastructure, crime, energy, water and logistics challenges through multi-stakeholder platforms



KEY: ● CHALLENGED ● MODERATE ● STRONG

OUR STAKEHOLDER ENGAGEMENT continued

 [CLICK HERE FOR ICONS](#)



INVESTORS AND FUNDERS

Investors, analysts and funders provide the financial capital that enables us to operate, grow and create long-term value. We create value through strong brands, prudent capital allocation and regular transparent engagement.

RELATED RISKS

- Pricing pressure
- Reduced demand
- Commodity pricing
- Energy security and pricing
- Water security and pricing
- Non-compliance with legislation
- Food and product safety
- Societal unrest

KEY INVESTOR AND FUNDER NEEDS AND EXPECTATIONS

- Strategic clarity on the Group's long-term portfolio direction, including scale ambitions and merger and acquisition intent
- Investment in brands and infrastructure to deliver growth and efficiencies
- Clear visibility on growth prospects in the context of subdued demand, commodity cost pressure and volume and margin recovery opportunities
- Recovery prospects linked to South African Sugar Association defaults and the implications for Sugar's financial resilience
- Execution excellence in terms of operational drivers within the Group's control
- Confidence in delivery of continuous improvement and cost-efficiency initiatives to support margins
- A clear assessment of industry master plans, particularly the durability and effectiveness of sugar sector interventions
- Meaningful progress on ESG priorities, including sustainability-linked performance, climate resilience and governance maturity

QUALITY OF THE RELATIONSHIP



We maintain a mutually beneficial relationship with our investors and funders, built on regular, robust and transparent engagement.

CAPITALS IMPACTED



STRATEGIC PILLAR

Right Growth
Future Fit

HOW WE ENGAGE

We engage with investors and funders via periodic meetings, formal announcements, strategy briefings and investment conferences. Our shareholder relations include pre-AGM and extraordinary general meeting consultations on proposed resolutions, complemented by the AGM's formal engagement platform. Digital access to our latest results and reporting suites is provided through an investor section on our corporate **website**. Driven by best-practice communication principles, our financial and non-financial disclosures aim to present a well-rounded view of our strategy, operational risks, opportunities and outlook, backed by timely responsiveness and direct access to executive management.

HOW WE RESPOND TO INVESTOR AND FUNDER NEEDS

- Providing strategic clarity through transparent communication of portfolio direction and priorities
- Confirming the quality of our brands and infrastructure through our market shares, capital expenditure programmes and efficiencies delivered
- Demonstrating growth and return potential through disciplined capital allocation and volume and margin recovery
- Maintaining confidence from capital markets through consistent disclosure and engagement
- Strengthening financial resilience by managing balance sheet risk and liquidity
- Driving positive outcomes in new operational initiatives
- Delivering operational performance through continuous improvement and cost-efficiency initiatives
- Advancing ESG outcomes through measurable progress on sustainability and governance priorities
- Communicating progress regularly through results, reports and direct engagement with management



KEY:



CHALLENGED



MODERATE



STRONG

OUR STAKEHOLDER ENGAGEMENT continued

CLICK HERE FOR ICONS

MEDIA

Media stakeholders include journalists, editors, broadcasters, content creators and platforms that cover business, consumer and social issues. They play a key role in shaping public understanding of our purpose, products and broader impact.

RELATED RISKS

- Food and product safety
- Non-compliance with legislation
- Health and safety
- Societal unrest

KEY MEDIA NEEDS AND EXPECTATIONS

- Provide timely and accurate information on business performance, developments and product-related matters
- Offer insight on industry, consumer and social issues relevant to the public discourse
- Communicate social impact outcomes
- Share progress on environmental sustainability initiatives and performance
- Engage openly and responsively across traditional and digital media platforms
- Support access to leadership through interviews and direct engagement where appropriate

 Read more at www.rclfoods.com

QUALITY OF THE RELATIONSHIP

 We monitor the quality of media engagement through sentiment analysis of coverage across platforms, which indicates generally positive media sentiment in 2026.

CAPITALS IMPACTED



STRATEGIC PILLAR

Right Growth
Future Fit

HOW WE ENGAGE

We engage with the media through press releases, editorial responses and direct communication via online, telephonic and face-to-face channels. This outreach is supported by interviews with our CEO, CFO and senior management team, as well as focused product launches and corporate events designed to keep the media informed of our strategic direction and operational updates.

We share information across our social media platforms and our corporate and DO MORE FOUNDATION websites.

HOW WE RESPOND TO MEDIA NEEDS

- Providing timely and accurate information on business performance, developments and product-related matters through media releases, social media and timely responses to media questions
- Engaging with journalists to offer insight on industry, consumer and social issues relevant to the public discourse
- Communicating social impact outcomes through DO MORE FOUNDATION programmes and partnerships through media releases and social media
- Reporting annually on sustainability initiatives and performance in our IAR
- Building relationships with the media and engaging openly and responsively across traditional and digital media platforms
- Supporting access to leadership through interviews and direct engagement where appropriate

 Read more at www.domore.org.za



OUR STAKEHOLDER ENGAGEMENT continued

[CLICK HERE FOR ICONS](#)



SUPPLIERS

Suppliers include manufacturers, growers, logistics providers and service partners who enable us to source raw materials, deliver quality products and operate efficiently. They are central to product availability, cost-efficiency and innovation and they contribute to sustainable growth and to meeting customer and consumer needs. Regular engagement helps ensure quality, manage risks, promote sustainability and compliance and build long-term, mutually beneficial partnerships.

RELATED RISKS

- Supply chain disruption
- Commodity pricing
- Non-compliance with legislation
- Food and product safety

KEY SUPPLIER NEEDS AND EXPECTATIONS

- Clear visibility of RCL FOODS' procurement priorities and category requirements to support risk management, cost control and continuous improvement
- A collaborative approach that enables mutually beneficial partnerships, particularly in a tough economic environment
- Greater localisation opportunities remain across spend categories, supporting the development of local suppliers and enhancing supply chain resilience
- Clear and consistent food safety expectations that strengthen supplier reliability and partnership quality
- Support in navigating local and global material supply disruptions, including international and systemic constraints

QUALITY OF THE RELATIONSHIP



Our supplier relationships are robust and collaborative, founded on mutual value creation.

CAPITALS IMPACTED



STRATEGIC PILLAR

Right Growth
Future Fit

HOW WE ENGAGE

Structured supplier review meetings are central to our procurement strategy, ensuring consistent alignment on performance, quality and value creation. These engagements enable our teams to review supplier adherence to critical service-level agreements, such as on-time delivery and product standards and to collaborate on joint solutions that improve supply chain efficiency. The resulting exchange of category insights plays a key role in how we manage risk, optimise costs and reduce waste while embedding a culture of continuous improvement.

HOW WE RESPOND TO SUPPLIER NEEDS

- Providing clarity on procurement priorities and requirements to support planning and risk management
- Building collaborative partnerships focused on mutual value creation, innovation and long-term efficiency
- Strengthening food safety and quality through defined standards, ongoing monitoring and regular engagement
- Supporting localisation by increasing opportunities for domestic and emerging suppliers across spend categories
- Improving supply resilience by collaborative sourcing strategies, proactive risk management and alternative supply solutions
- Enabling supplier development through targeted support for emerging farmers and enterprises
- Driving continuous improvement through structured performance reviews, data-driven insights and joint value-creation initiatives



KEY: ● CHALLENGED ● MODERATE ● STRONG

MATERIAL RISKS AND OPPORTUNITIES

Risk management is a strategic enabler of resilience, informed decision-making and long-term value creation. By identifying and responding to the material risks and opportunities that could influence our performance, we strengthen organisational agility, protect stakeholder value and position the Group to navigate uncertainty. This section outlines the key factors we are proactively managing to mitigate downside risk, unlock strategic opportunity and support the sustainability of our business.

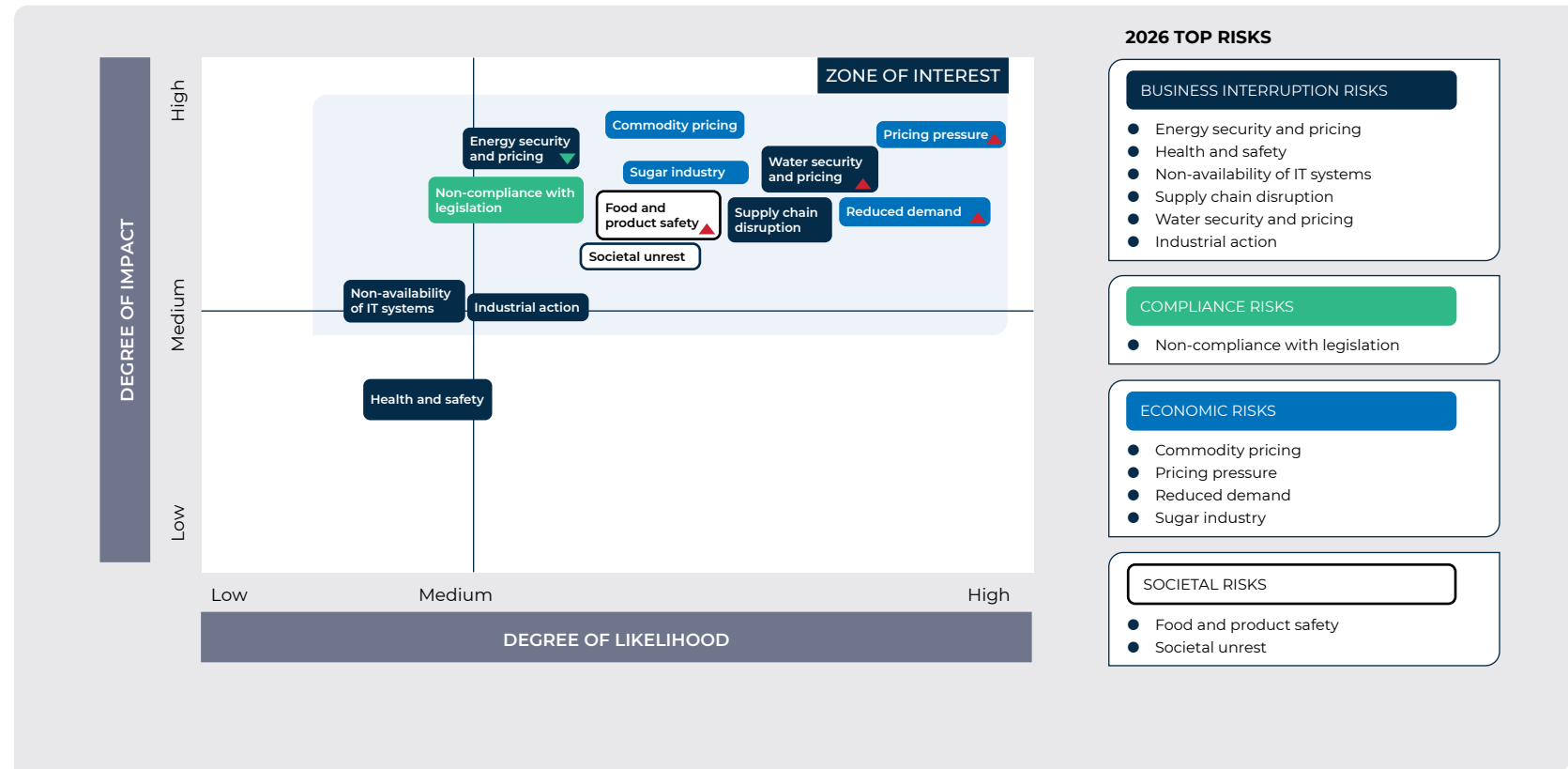
OUR ENTERPRISE-WIDE RISK MANAGEMENT APPROACH

The Board recognises that effective, balanced and integrated risk management is fundamental to responsible governance and long-term value creation. To embed this approach across the organisation, the Group applies an enterprise risk management (ERM) framework that integrates risk considerations into strategic and operational decision-making. The framework is guided by a formal risk charter and a Board-approved Risk Management Policy, aligned with the Committee of Sponsoring Organizations of the Treadway Commission framework and King IV principles.

In a challenging operating environment, our internal control environment – supported by governance oversight, risk management and combined assurance – underpins operational stability and disciplined strategic execution. This strengthens our ability to navigate uncertainty, safeguards business continuity and protects stakeholder value.

OUR TOP RISKS

Our material risks are assessed on an inherent basis to provide a clear view of the Group's exposure before mitigating controls are applied. This enables us to effectively prioritise and align mitigation efforts with strategic objectives and transparent governance processes across the Group. Top risks are considered to have the most significant potential impact on RCL FOODS and its stakeholders, and are identified through structured input from leadership and formalised through the ERM process, with final approval by the Risk Committee. We consider risk impact across all six capitals, managing financial, operational, regulatory, environmental and societal exposures in an integrated and forward-looking manner. Economic pressures, business interruption and the sugar industry remain the Group's most significant areas of risk concentration. While economic risks are largely driven by external factors, business interruption risks offer greater scope for mitigation through operational controls, resilience planning and targeted improvement initiatives.



Read more in the Corporate Governance Report
from page 113.

MATERIAL RISKS AND OPPORTUNITIES continued

[i CLICK HERE FOR ICONS](#)

ENERGY SECURITY AND PRICING

RCL FOODS' operations are highly dependent on a stable and continuous energy supply. While improved electricity availability provided operational relief during the year, national generation and grid constraints – combined with above-inflation electricity increases – continue to pose supply and cost risks.

RISK CONTEXT AND POTENTIAL IMPACT

- Production interruptions and reduced service levels
- Higher manufacturing costs and potential damage to assets due to power instability
- Increased capital requirements to source alternative energy and maintain resilience

RISK RESPONSE

- Installing generators or alternative power at the majority of the Group's sites
- Dedicated team proactively driving our sustainability agenda, focusing largely on energy, water and waste
- Including sustainability in our Group strategy, with progress against targets monitored by Group Executives and the Risk Committee
- Robust strategic planning to ensure Group operations are resilient against energy shortages
- Implementing energy efficiency and conservation projects
- Maintaining a buffer supply of stock on-site
- Investigating solar power purchase agreements and renewable solutions

OPPORTUNITY FOR VALUE CREATION

Opportunities exist to enhance energy resilience through power wheeling and the broader adoption of renewable energy solutions. Additional value can be created by generating electricity from boilers at selected key sites and improving energy efficiency across operations, supporting long-term cost optimisation, greater operational continuity and a lower environmental footprint.

LINK TO CAPITALS



STAKEHOLDERS IMPACTED



OVERSIGHT

Group Risk Committee; Business unit Governance Committee



MATERIAL RISKS AND OPPORTUNITIES continued

[i CLICK HERE FOR ICONS](#)

HEALTH AND SAFETY

The health, safety and wellbeing of our people remain fundamental to how we operate. We are committed to creating work environments that are safe, secure and supportive, and underpinned by disciplined risk management, preventative controls and ongoing employee engagement. By actively identifying and managing health and safety-related risks, we can protect our people, support operational continuity and reinforce the Group's reputation as a responsible employer.

RISK CONTEXT AND POTENTIAL IMPACT

- Significant increase in employee absenteeism due to infections or injuries
- Disruption of supply chains caused by labour shortages
- Decline in overall productivity and operational performance
- Potential loss of life
- Increased mental fatigue and workplace stress among employees

RISK RESPONSE

- Safety awareness initiatives, including Safety Days and Safety Culture Surveys
- Continuous health and safety education, training and communication
- Occupational healthcare clinics at main operating sites, supplemented by mobile clinics for outlying sites
- Implementing the YouMatter Employee Wellness Programme
- Regular updates of on-site Hazard Incident Risk Assessments and Hazard and Operability Analysis (HAZOP) to monitor and address corrective and preventative actions
- Fleet safety controls, driver monitoring and behaviour-based safety programmes

OPPORTUNITY FOR VALUE CREATION

AI and digitisation present opportunities to further strengthen health and safety performance across the Group. Advanced sensors are being used to support early detection of gas leaks, temperature changes and potential fire risks, while AI-enabled cameras in Bakery feeder trucks enhance driver safety. Smart surveillance systems across Sugar operations continue to improve site security, and the introduction of automated packing equipment is helping reduce injury risk. These technologies, together with our online health and safety platform for efficient incident reporting, support a culture of continuous improvement and safer ways of working.

LINK TO CAPITALS



STAKEHOLDERS IMPACTED



OVERSIGHT

Group Risk Committee; Business unit Governance Committee



MATERIAL RISKS AND OPPORTUNITIES continued

[i CLICK HERE FOR ICONS](#)

NON-AVAILABILITY OF IT SYSTEMS

The Group's increasing reliance on digital technologies is reshaping how we operate, compete and engage with stakeholders. Delivering digital transformation in a timely and disciplined manner is essential to maintaining competitiveness, deepening market penetration and enabling more efficient, data-led ways of working. Platforms such as automation, AI, blockchain, cloud computing and the Internet of Things provide opportunities to improve operational efficiency, strengthen decision-making and enhance business processes. However, this growing digital footprint also increases exposure to cyber security threats, system downtime and data breaches, including the unauthorised access, misuse or disclosure of sensitive information. As we continue to digitise our operations, robust IT resilience, information security and data protection remain critical to safeguarding business continuity, protecting stakeholder trust and realising the full value of digital transformation.

RISK CONTEXT AND POTENTIAL IMPACT

- Critical operational and financial system downtime
- Cyber attacks and increased sophistication of cyber threats
- Unauthorised access, misuse and disclosure of sensitive information
- Delayed or ineffective delivery of digital transformation initiatives
- Evolving data governance, privacy and information security requirements

RISK RESPONSE

We safeguard IT infrastructure through a robust General Control environment, independently reviewed by internal and external experts, with key controls covering all layers of the IT landscape, including:

- Segregation of duties
- Antivirus and malware protection
- Network and email security
- Incident management
- Managing user privileges
- Threat and vulnerability assessments
- Information security maturity assessments
- Ongoing training regarding cyber risk and information security
- Data classification and retention
- Use of reputable service providers
- Secure configuration
- Disaster recovery plans and backup strategies
- External assurance of IT Governance Controls performed for applicable business units
- Continued execution of the Group's digitisation strategy to support digital transformation, operational efficiency and responsible technology adoption
- Ongoing monitoring of the Protection of Personal Information Act compliance programme to strengthen data protection, privacy governance and responsible information management
- Insurance cover in place to offset potential losses from cyber risk incidents

OPPORTUNITY FOR VALUE CREATION

Leveraging advanced analytics, automation and AI present meaningful potential to enhance decision-making, optimise business processes and unlock operational efficiencies across the Group. These technologies support deeper market insights, improved stakeholder engagement and more agile, data-led ways of working, enabling the Group to respond faster to changing customer and consumer needs. Digitisation also contributes to environmental sustainability by reducing reliance on paper-based systems, limiting business travel and enabling more resource-efficient ways of working, while supporting responsible innovation and long-term competitiveness.

LINK TO CAPITALS



STAKEHOLDERS IMPACTED



OVERSIGHT

Group Risk Committee; Business unit Governance Committee

MATERIAL RISKS AND OPPORTUNITIES continued

[i CLICK HERE FOR ICONS](#)

SUPPLY CHAIN DISRUPTION

Supply chain disruption remains a material risk to operational continuity, customer service and financial performance. The Group is exposed to potential interruptions across sourcing, manufacturing, logistics and delivery, including raw material shortages, key supplier dependencies, transport and port-related delays, critical equipment failure, fire or other major site incidents, labour disruption, and quality-related recalls. Global geopolitical volatility, climate-related pressures and imbalances in supply and demand can further affect the availability, cost and movement of critical inputs. These dynamics reinforce the need for resilient and responsive supply chain strategies that strengthen business continuity, protect service levels and support operational agility.

RISK CONTEXT AND POTENTIAL IMPACT

- Supply disruption due to shortages in raw materials, energy and water leading to production delays and potential revenue loss
- Impact of global risk events (such as the prolonged Russia-Ukraine conflict and the US-Iran war) on the availability and cost of raw materials and fuel and fertiliser, increasing operational uncertainty and cost pressures
- Risk of fire in plant or warehouse causing damage to assets, inventory loss and safety hazards
- Costly business interruption due to critical equipment failure
- Quality-related product recalls potentially affecting product availability, customer service and brand reputation

RISK RESPONSE

- Assessing and strengthening supply chain resilience through proactive risk identification, scenario planning and strategic supplier engagement
- Maintaining ongoing engagement with customers and suppliers to strengthen relationships and ensure alignment
- Implementing robust business continuity plans for key suppliers to safeguard supply chain stability
- Establishing comprehensive business continuity and disaster recovery frameworks to manage major incidents or crises
- Collaborating closely with external risk assessors and insurers to ensure all facilities are equipped with adequate fire detection and prevention systems
- Prioritising strong, constructive relationships with trade unions across all business units
- Securing appropriate insurance coverage to mitigate the financial impact of insurable events
- Promoting suppliers working in our local communities to strengthen our supply chain and empower communities

OPPORTUNITY FOR VALUE CREATION

The Group continues to identify and evaluate opportunities to strengthen response strategies and enhance mitigation plans that support operational continuity and localisation, uplift local enterprises and ensure supply chain resilience. Investing in strategic capabilities and manufacturing excellence further strengthens our ability to respond with agility in dynamic and unpredictable operating environments.

LINK TO CAPITALS



STAKEHOLDERS IMPACTED



OVERSIGHT

Group Risk Committee; Business unit Governance Committee



MATERIAL RISKS AND OPPORTUNITIES continued

[i CLICK HERE FOR ICONS](#)

WATER SECURITY AND PRICING

Water security remains a material risk to the Group's operational continuity and performance, particularly in South Africa where water scarcity and infrastructure constraints continue to intensify. The Group's manufacturing operations depend on reliable water availability, and disruptions to municipal water supply or supporting infrastructure may impact production capability, operating costs and service levels. This risk is further influenced by climate change, regulatory complexity, recurring drought conditions, environmental degradation and increasing competition for limited water resources. These pressures reinforce the need for proactive water stewardship, resilience planning and responsible water use practices to safeguard supply and support operational continuity.

RISK CONTEXT AND POTENTIAL IMPACT

- Increasing pressure on the system, combined with infrastructure and capacity constraints, elevates the risk of water supply disruptions and potential operational interruptions
- Climate change may disrupt the global food industry – in Africa, particularly. Failure to adapt or implement an effective mitigation strategy could materially affect the Group's ability to deliver on its strategic objectives
- Prolonged periods of load-shedding may increase the risk of inadequate municipal water supply

RISK RESPONSE

- Backup water storage tanks installed at sites, with boreholes installed where feasible
- Dedicated water tankers available at certain Group sites to mitigate supply interruptions
- Dedicated sustainability team proactively driving the Group's sustainability agenda, with a strong focus on water, energy and waste
- Embedding 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, such as replacing inefficient irrigation systems
- Detailed water reliance and resilience assessments conducted at key sites, identifying reliance on municipal infrastructure and water catchment areas to inform long-term sustainability planning
- Strengthened regulatory monitoring and compliance management practices

OPPORTUNITY FOR VALUE CREATION

Water security presents an opportunity to strengthen operational resilience through targeted investment in water and energy self-sufficiency. By reducing reliance on municipal infrastructure and improving on-site storage capacity, the Group can better manage exposure to utility supply and cost volatility. With guidance from the central engineering team, sites have assessed their water usage and storage requirements, supporting the objective of maintaining up to two days of on-site water supply where feasible.

LINK TO CAPITALS



STAKEHOLDERS IMPACTED



OVERSIGHT

Group Risk Committee and Social and Ethics Committee; Business unit Governance Committee



MATERIAL RISKS AND OPPORTUNITIES continued

[i CLICK HERE FOR ICONS](#)

INDUSTRIAL ACTION

Industrial action remains an important operational risk, with potential disruptions such as strikes, labour disputes or work stoppages affecting productivity, service delivery, cost stability and financial performance. The Group remains focused on maintaining constructive employee and trade union relationships, engaging proactively with key stakeholders and promoting open communication to support labour stability, mitigate disruption and protect business continuity.

RISK CONTEXT AND POTENTIAL IMPACT

- Loss of production and revenue
- Disruption to service delivery and customer fulfilment
- Increased costs associated with contingency planning, security and operational recovery
- Negative publicity and reputational damage

RISK RESPONSE

- 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 co-ordinated and sustainable community engagement strategy underway
- Strike action plans in place
- Recognition and wage agreements in place at certain sites, detailing terms of relationships with unions, to ensure stability
- Roll out of non-management level short-term incentive scheme to enhance engagement and drive performance

OPPORTUNITY FOR VALUE CREATION

The Group can leverage its community and labour relationships to develop shared-value initiatives that enhance local social and economic wellbeing. Investing in skills development and capacity building within communities and the workforce not only strengthens resilience but fosters loyalty and long-term partnership.

LINK TO CAPITALS



STAKEHOLDERS IMPACTED



OVERSIGHT

Group Risk Committee and Social and Ethics Committee; Business unit Governance Committee



MATERIAL RISKS AND OPPORTUNITIES continued

[i CLICK HERE FOR ICONS](#)

NON-COMPLIANCE WITH LEGISLATION

The Group operates in a highly regulated and evolving environment where compliance with laws, regulations and industry standards is essential to maintaining our licence to operate and protecting stakeholder trust. Our comprehensive Compliance Framework is embedded across the Group, and is supported by structured programmes, assurance processes, targeted initiatives and clear accountability. This enables us to proactively identify, monitor and manage regulatory risks while reinforcing a culture of responsible conduct and operational integrity.

RISK CONTEXT AND POTENTIAL IMPACT

- Non-compliance with legislation and regulations, resulting in fines and penalties
- Possible reputational damage to brands and the RCL FOODS corporate brand
- Increasing complexity and frequency of new and evolving legislation and regulatory requirements continue to heighten the compliance burden, requiring enhanced agility and oversight across the organisation
- Increasing frequency of unannounced compliance inspections by various Government departments has elevated regulatory exposure

RISK RESPONSE

- Implementation of the RCL FOODS Compliance Framework to ensure accountability, prioritisation and adherence to key legislation
- Establishment of the RCL FOODS Regulatory Universe
- Formalised compliance structure with Compliance Champions across the RCL FOODS Regulatory Universe
- Identification and management of the safety, health, environment and quality (SHEQ) Compliance Universe to ensure all sites are fully compliant; action plans implemented to address any gaps
- Ongoing provision of targeted training and awareness programmes throughout the business
- Development and maintenance of appropriate policies, systems, procedures and reporting mechanisms
- Appointment of skilled technical resources and consultation with subject matter experts
- Combined assurance strategy involving audits by internal and external independent bodies covering food safety, employment and labour, compliance, accounting, tax and other areas
- Appointment of a dedicated executive responsible for media communication and correspondence

OPPORTUNITY FOR VALUE CREATION

By leveraging the RCL FOODS Compliance Framework, Regulatory Universe and network of Compliance Champions, the Group can improve regulatory agility, enhance accountability and support more consistent decision-making across the business. Continued investment in training and assurance further enables proactive monitoring of emerging requirements and supports responsible, resilient growth in an increasingly complex regulatory environment.

LINK TO CAPITALS



STAKEHOLDERS IMPACTED



OVERSIGHT

Group Risk Committee and Social and Ethics Committee; Business unit Governance Committee

MATERIAL RISKS AND OPPORTUNITIES continued

[i CLICK HERE FOR ICONS](#)

COMMODITY PRICING

The Group's product costs remain highly sensitive to movements in commodity and raw material prices. This exposure is influenced by exchange rate volatility, geopolitical developments – including tensions in the Middle East and Russia-Ukraine – adverse climate conditions and shifts in global and local supply and demand. These factors may place pressure on cost stability, sourcing pressures and supply continuity across the business.

RISK CONTEXT AND POTENTIAL IMPACT

- Volatility in raw material prices due to exchange rate fluctuations
- Price instability driven by local and global supply and demand movements
- Unavailability of raw materials in the local market
- Shifts in global and local-market conditions affecting input costs and supply continuity
- Uncertainty or adverse developments in the political landscape, with potential implications for trade, tariffs and supply routes
- Adverse climate conditions impacting crop yields, supply reliability and pricing
- Volatility in key agricultural input costs, including fertiliser, impacting crop yields and raw material pricing

RISK RESPONSE

- Applying and entrenching strong governance and risk management principles within business processes
- Clear procurement strategy in place, guided by the RCL FOODS procurement policy
- Monthly meetings of the Commodity Procurement Committee to review strategy, prices and mandates
- Monthly comparison of raw material prices against South African Futures Exchange (SAFEX) market prices
- Annual internal review performed on commodity procurement processes
- Ability to substitute raw materials for certain products where viable (e.g. white and yellow maize and soya for sunflower oil)

OPPORTUNITY FOR VALUE CREATION

RCL FOODS continuously investigates opportunities to increase local supply of raw materials, aiming to reduce reliance on imports. We also seek opportunities to place forward cover on scarce commodities such as meat, flour and fat to manage supply risks. We are exploring the use of AI tools in trading to enhance market responsiveness and decision-making.

LINK TO CAPITALS



STAKEHOLDERS IMPACTED



OVERSIGHT

Group Risk Committee; Business unit Governance Committee; Procurement Committee



MATERIAL RISKS AND OPPORTUNITIES continued

[i](#) [CLICK HERE FOR ICONS](#)

PRICING PRESSURE

Pricing pressure remains a material risk in the current macroeconomic environment, where sustained cost increases and constrained pricing levers continue to place pressure on margin resilience. Key drivers include elevated deep-sea sugar imports into South Africa enabled by insufficient tariff protection, ongoing fuel price increases, broader input cost inflation, exposure to global commodity cycles and rising agricultural input costs, including fertiliser. These factors may limit the Group's ability to fully recover cost increases through pricing, with potential impacts on profitability, margins and long-term competitiveness.

RISK CONTEXT AND POTENTIAL IMPACT

- Challenging macro and microeconomic conditions placing pressure on pricing and cost recovery
- Decline in international sugar prices and insufficient tariffs on imported sugar
- High volumes of cheap sugar imports affecting local competitiveness and impacting the Group's pricing power
- Climate change impacts on agriculture, contributing to higher production costs
- Tariff application on imported peanuts versus peanut butter creating uncertainty and potential cost disadvantages for local producers
- Fuel costs increasing above inflation, affecting the Bread, Buns and Rolls and Pieman's operating units, while rising red meat costs, which largely impacted Pieman's, followed an outbreak of foot-and-mouth disease in South Africa

RISK RESPONSE

- Emphasising 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 SASA
- Supporting the Sugar Industry Master Plan
- Establishing solid partnerships with key customers

OPPORTUNITY FOR VALUE CREATION

The Group is pursuing acquisition opportunities to build scale and dilute costs. We continue to engage with the Government to find appropriate solutions that support all stakeholders. With a strong focus on enhancing operational efficiency and maintaining disciplined cost management across the Group, our business units are well positioned to improve resilience, capture value and respond effectively as market conditions evolve. Within the Sugar business unit, this is complemented by a focus on strengthening agricultural productivity.

LINK TO CAPITALS



STAKEHOLDERS IMPACTED



OVERSIGHT

Group Risk Committee; Business unit Governance Committee



MATERIAL RISKS AND OPPORTUNITIES continued

[CLICK HERE FOR ICONS](#)

REDUCED DEMAND

The macroeconomic environment remains constrained, with subdued growth, interest rate pressures, persistent unemployment, fuel and food price volatility and global geopolitical uncertainty continuing to erode household spending power. As a result, consumers remain highly price sensitive, with affordability considerations and shifts towards lower-cost alternatives increasing the risk of brand switching and market share erosion, while limiting demand recovery in the near term. This reduced demand environment continues to pose a risk to revenue growth and margin resilience across the business.

RISK CONTEXT AND POTENTIAL IMPACT

- Decreased demand from key customers
- Loss of key customers due to economic pressure or changes in operating environment
- Increased competition declining market share across product categories
- Shifts in consumer buying behaviour driven by reduced household disposable income

RISK RESPONSE

- Focused efforts to rebuild volumes in channels impacted by reduced demand
- Ongoing monitoring of market trends and integration of consumer and customer insights into category and brand strategies
- Continued investment in research and development, as well as product and brand development
- Building and maintaining trading relationships across all customer groups
- Joint engagement plans with key customers that include innovation development and customer service delivery objectives
- Leveraging Group marketing and sales capabilities to support competitive positioning
- Innovation and value-added launches to drive and enable growth and differentiation
- Active relationship management between our brands, customers and consumers to support value creation for all stakeholders

OPPORTUNITY FOR VALUE CREATION

There is an opportunity to build brand equity and clearly differentiate our products in the minds of consumers. In addition, amplified focus on continuous improvement and net revenue management initiatives present further opportunity to drive efficiencies, reduce costs, support new product development aimed at expanding value tier offerings and support competitive sales pricing. This includes continued responsiveness to shifting consumer expectations around affordability, nutrition and ethical sourcing.

LINK TO CAPITALS



STAKEHOLDERS IMPACTED



OVERSIGHT

Group Risk Committee; Business unit Governance Committee



MATERIAL RISKS AND OPPORTUNITIES continued

[CLICK HERE FOR ICONS](#)

SUGAR INDUSTRY

The South African sugar industry continues to face heightened uncertainty as shifting trade policies, regulatory developments and structural changes reshape the operating environment. Ineffective tariff protection against subsidised deep-sea imports continues to affect the competitiveness of local producers, while the ongoing restructuring of Tongaat Hulett and the potential for deregulation may result in lasting changes to industry dynamics. These developments could increase market volatility, financial pressure and operational uncertainty across the sugar value chain, including growers, millers and downstream participants.

RISK CONTEXT AND POTENTIAL IMPACT

- Structural and regulatory uncertainty in the South African sugar industry, including developments relating to Tongaat Hulett, could increase market volatility and operational disruption
- Ineffective sugar tariff driving high volumes of imports, negatively impacting local millers and growers
- Potential deregulation or changes to the industry framework could fundamentally alter the structure, funding model and operations of the South African sugar industry
- These developments may place pressure on profitability, competitiveness and long-term sustainability across the sugar value chain

RISK RESPONSE

- Legal monitoring and oversight on the status of Tongaat Hulett's business rescue
- Collaboration with industry bodies to drive a positive outcome for the sugar industry

OPPORTUNITY FOR VALUE CREATION

The evolving sugar industry landscape presents opportunities to strengthen long-term competitiveness through co-ordinated industry engagement, targeted advocacy and strategic market positioning. Further value can be unlocked by diversifying into higher-margin downstream applications, reducing exposure to raw sugar import volatility and strengthening partnerships with industry and Government stakeholders to support durable Sugar Industry Master Plan outcomes.

LINK TO CAPITALS

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STAKEHOLDERS IMPACTED



OVERSIGHT

Group Risk Committee; Business unit Governance Committee



MATERIAL RISKS AND OPPORTUNITIES continued

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FOOD AND PRODUCT SAFETY

Ensuring the safety and quality of our food and products remains fundamental to the Group's licence to operate. In an environment of heightened regulatory oversight and increasing stakeholder expectations, we maintain a proactive and disciplined approach to meeting internal standards and regulatory requirements across our operations. Effective management of this risk is critical to protecting consumers, upholding trust in our brands, safeguarding the Group's reputation and maintaining compliance. Following recent product safety incidents, management has strengthened supply chain processes, including raw material procurement controls, quality control protocols, recall response processes and cross-business learning to reinforce product safety resilience.

RISK CONTEXT AND POTENTIAL IMPACT

- Products could potentially be exposed to food or product hazards if not properly managed within the supply chain. Failure to meet product safety and quality standards could lead to:
- Reputational damage
- Product liability claims
- Product recalls
- Heightened expectations and oversight from key stakeholders

RISK RESPONSE

- Ongoing investments in quality assurance, supplier engagement and continuous improvement
- Robust, comprehensive product quality processes and controls in place
- All food production sites either FSSC 22000 or ISO 22000 certified – except for Sunshine Bakery sites, where food safety compliance is verified by the Food Safety Agency (FSA)
- Food safety risks identified using the Hazard Analysis and Critical Control Point (HACCP) methodology and managed through the implementation of prerequisite programmes relevant to the scope of certifications
- Regular audits performed by Group 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 and tested withdrawal and recall procedures
- Investment in new technology and equipment to further enhance food safety
- Driving continuous improvement in food safety through sustained awareness and training initiatives

OPPORTUNITY FOR VALUE CREATION

There is an opportunity to strengthen food safety culture and awareness through ongoing initiatives and training programmes. These efforts also present opportunities to reduce waste and increase efficiencies. Furthermore, adopting innovative AI solutions offers potential to drive continuous improvement by enhancing quality control, risk detection and decision-making.

LINK TO CAPITALS



STAKEHOLDERS IMPACTED



OVERSIGHT

Group Risk Committee and Social and Ethics Committee; Business unit Governance Committee

MATERIAL RISKS AND OPPORTUNITIES continued

[CLICK HERE FOR ICONS](#)

SOCIETAL UNREST

The Group operates in a complex socioeconomic environment where community protests, civil unrest and broader public disruptions may affect operational continuity and performance. In South Africa, these risks are amplified by economic pressure, infrastructure constraints, service delivery challenges and heightened political activity ahead of the local Government elections in November 2026. Ongoing tensions relating to foreign nationals and competition for limited economic opportunities may also trigger sporadic localised unrest. Proactive monitoring, stakeholder engagement and effective response planning remain critical to maintaining operational resilience, protecting employees and assets and supporting continuity of service.

RISK CONTEXT AND POTENTIAL IMPACT

- National shutdown attributed to political conflict
- Looting and violence
- Community disruption
- Criminal activity harming employees (such as armed robberies or hijackings)
- Supply chain disruption
- Loss of revenue and profitability

RISK RESPONSE

- Strengthen ability to respond effectively to potential disruptions through proactive planning, risk assessments and stakeholder engagement
- 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 co-ordinated and sustainable community engagement strategy underway
- Business continuity plans in place
- Strengthening employees' resilience through our YouMatter Employee Assistance Programme
- Increased gathering and use of security-related information from various security providers

OPPORTUNITY FOR VALUE CREATION

There is an opportunity to proactively engage with community leaders, Government and customers to foster dialogue, build mutual understanding and promote inclusivity in decision-making processes. Such engagement supports social cohesion and enhances the Group's ability to navigate socioeconomic challenges collaboratively. These efforts are further reinforced by our social investment initiatives that support community upliftment and reduce vulnerability to unrest.

LINK TO CAPITALS



STAKEHOLDERS IMPACTED



OVERSIGHT

Group Risk Committee and Social and Ethics Committee; Business unit Governance Committee



LEADERSHIP REVIEW

CHAIRMAN'S REPORT

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CEO'S REPORT

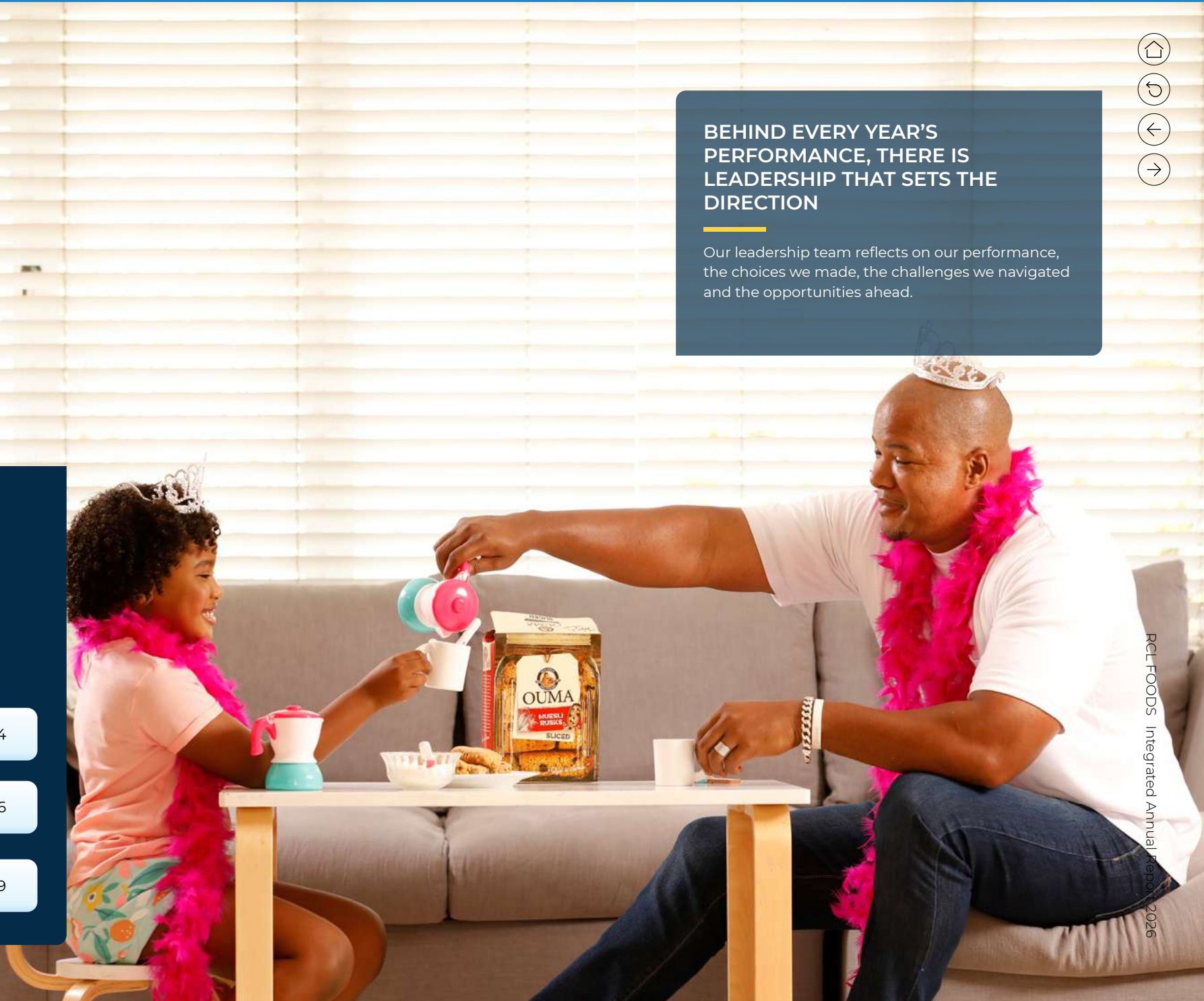
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CFO'S REPORT

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BEHIND EVERY YEAR'S PERFORMANCE, THERE IS LEADERSHIP THAT SETS THE DIRECTION

Our leadership team reflects on our performance, the choices we made, the challenges we navigated and the opportunities ahead.



CHAIRMAN'S REPORT

RCL FOODS continued to advance its strategic priorities in a challenging year. The Board's focus remained on supporting disciplined execution, responsible growth and sustainable value creation for all stakeholders.

George Steyn, *Chairman*



The 2026 financial year unfolded against a challenging consumer and operating environment. While lower interest rates and moderating food inflation offered some support during the year, they did not translate into a sustained improvement in consumer confidence. Towards the end of the financial year, sharp fuel price increases drove headline inflation higher and contributed to an interest rate hike, increasing pressure on household budgets. Against this backdrop, consumer spending remained constrained, and the trading environment was highly competitive.

The Board was encouraged by the Group's disciplined execution and operational resilience despite these headwinds. Continued focus on operational efficiencies, innovation and brand investment delivered encouraging progress, with key operational initiatives, including our continuous improvement and net revenue management (NRM) programmes. Our Sugar operations came under severe pressure due to adverse market and regulatory factors, which weighed heavily on the overall result. The strength and diversity of the Group's portfolio, together with the benefits of disciplined execution, contributed to mitigating the declines from Sugar and Pet Food.

OVERSEEING SUSTAINABLE VALUE CREATION

The Board's role is to provide effective oversight while enabling management to pursue the Group's purpose and strategic ambitions responsibly. During the year, our attention was directed towards overseeing the proposed Martin & Martin acquisition, supporting the successful rollout of key product innovations and reviewing the strategic direction and long-term plans of each business unit.

We continued to assess the Group's strategy against changing consumer needs, market dynamics and the risks and opportunities shaping the food sector. The Board engaged closely with management on the balance between protecting short-term performance and investing in the capabilities, brands and categories that will support sustainable growth over time.

The Group's binding agreement to acquire Martin & Martin, which is subject to the fulfilment of a number of conditions precedent, represents an important step in this growth journey. The transaction would broaden RCL FOODS' participation in the attractive wet pet food and pet care category, adding established brands and complementary capabilities in wet food, biscuits, treats and pet care products. It is also aligned with the Group's ambition to grow the value-added branded component of its portfolio.

Effective risk management remained integral to the Board's decision-making. We monitored the material risks facing the Group, including consumer affordability, food and product safety, infrastructure constraints, commodity and currency volatility, regulatory uncertainty and challenges within the South African sugar industry.

The Board maintained close oversight of the dry pet food recall and supported management's response. The incident reinforced the importance of uncompromising product safety, robust controls across the value chain and clear engagement with consumers, customers and regulators. The Board will continue to oversee the implementation of the control enhancements arising from the event.



CHAIRMAN'S REPORT continued

COMMITMENT TO GOOD GOVERNANCE

The Board remained committed to principled and effective governance as the foundation for sustainable value creation. We continued to promote ethical leadership, accountability and stakeholder-inclusive decision-making, supported by constructive engagement between the Board and management.

In light of amendments to the JSE Listings Requirements and certain amendments to the Companies Act of South Africa (Companies Act) coming into effect in the year, the Board continued to ensure that the Group's governance arrangements are reviewed to ensure they remain appropriate and effective.

Preparations have also commenced for the application of King V from the Group's 2027 financial year, including a gap assessment and the review of relevant governance policies, mandates, processes and disclosures. This work focuses on ensuring an effective transition and transparent reporting on our governance practices and outcomes. The Group is also working towards alignment with the ISSB's IFRS S1 and IFRS S2.

Our oversight extends, as always, beyond financial performance to include the Group's culture, people, environmental responsibilities and broader contribution to society. The Board recognises that RCL FOODS' long-term success depends on healthy relationships with its employees, consumers, customers, suppliers, communities, Government and shareholders.

RESPONSIBLE CORPORATE CITIZENSHIP

As one of South Africa's leading food manufacturers, RCL FOODS has both an opportunity and a responsibility to contribute positively to the food system and the communities in which it operates. The Group creates value through the provision of

quality and affordable food, employment and skills development, local procurement, enterprise and supplier development and community investment.

During the year, the Board continued to oversee the integration of ESG considerations into strategy, risk management and capital allocation, strengthening operational resilience while creating enduring value for the Group and its stakeholders. This included oversight of the development of enhanced climate and sustainability capabilities, improved risk visibility, stronger data and governance processes, and the consideration of long-term strategic opportunities.

While recognising that many sustainability challenges remain complex and require sustained effort over time, the Board is encouraged by the progress made in strengthening the foundations required for informed decision-making and long-term value creation. We remain committed to ensuring that responsible corporate citizenship is embedded in the way the Group is governed, balancing the interests of shareholders with those of the broader society in which we operate.

LOOKING AHEAD

We expect the operating environment to remain uncertain, with constrained household finances, infrastructure challenges and geopolitical developments continuing to affect the cost and availability of goods. The sugar industry has also faced unsustainable levels of imported sugar and broader structural instability, prompting urgent and effective regulatory intervention. Measures implemented in August 2026 are expected to help address these pressures and support a more sustainable balance between local-market and export sales.

RCL FOODS enters the new financial year with a focused portfolio, strong brands and clear strategic priorities. The Board will continue to provide oversight of the Group's strategic priorities, while supporting

management in delivering sustainable growth, pursuing appropriately considered acquisitions and partnerships, and building an efficient, resilient and future-fit organisation.

Our confidence is grounded in the quality of the Group's people, the relevance of its brands and the disciplined approach to execution and investment.

APPRECIATION

I thank Paul, Rob and the executive team for their leadership during a demanding year and all RCL FOODS employees for their commitment, adaptability and contribution to the Group's progress.

I also thank my fellow Board members for their considered guidance and constructive engagement. To our stakeholders, thank you for your continued trust and support.

We remain committed to overseeing a business that **grows what matters** and creates sustainable value for all its stakeholders.

George Steyn
Chairman

August 2026



CEO'S REPORT

We remain convicted in our strategy, and despite a difficult 2026, we made good progress in our strategic execution. We responded with discipline to immediate market pressures while continuing to invest in the people, brands and capabilities that will sustain our growth over the longer term.

Paul Cruickshank, *Chief Executive Officer*



2026 required us to navigate significant external challenges, balancing affordability, profitability and long-term resilience. South African consumers remained under pressure, with high unemployment, constrained household finances and the lingering effects of several years of elevated inflation and increased debt-servicing costs continuing to influence demand and purchasing behaviour. The trading environment remained highly competitive, with volumes under pressure and an overreliance on promotional activity to drive sales.

Within this environment, we remained committed to our strategy to build a more balanced portfolio while focusing on the factors within our control. This included sharpening our brands' competitiveness with a stringent focus on continuous improvement and NRM initiatives. These guiding principles continued to protect our margins and support sustainable growth despite tough trading conditions, with continuous improvement and NRM programmes delivering meaningfully.

Underpinning these results is our integrated strategy, supported by our three strategic pillars – People First, Right Growth and Future Fit – which continues to drive the execution of our core purpose: **We Grow What Matters**.

PEOPLE FIRST – BUILDING A HIGH-PERFORMANCE, INCLUSIVE ORGANISATION

Acknowledging that people are at the heart of our business strategy, we made good progress against the enablers underpinning our People First pillar, with particular emphasis this year on building a high-performance culture.

We prioritised aligning our strongest talent with our highest-value work, supported by leadership changes that have strengthened capability across the business. We have also developed clear guidelines on what constitutes high-performance behaviours in our context, for rollout across the Group. Diversity and inclusion remained a priority, and our new Employment Equity Plan has been implemented. Our short-term employee incentive scheme, applicable to non-

management employees, is now embedded across the Group, aligning our people's efforts with continuous improvement, performance and the interests of shareholders across employment grades.

Our commitment to growing what matters extends beyond our business to the communities and economies connected to our operations. Through the DO MORE FOUNDATION and our broader socioeconomic initiatives, we continued to support ECD, nutrition, skills development and sustainable livelihoods. In our Sugar business, more structured and responsive stakeholder engagement is helping us identify local concerns earlier, strengthen community relationships and address issues that could affect operational continuity. Beyond managing community expectations, proactive communication with industry bodies and local leadership has fostered greater transparency around shared risks. This collaborative approach aligns local development priorities with our business needs.

We also advanced our localisation agenda by rolling out a revised preferential procurement policy and scorecard. This provides a stronger basis for integrating ESG considerations into sourcing decisions, supporting local enterprise development and increasing opportunities for local suppliers.



Read more about our performance against the People First pillar from page 70.

RIGHT GROWTH – STRENGTHENING AND EXPANDING OUR PORTFOLIO

Right Growth is about pursuing opportunities that build relevance, resilience and sustainable returns. Strong brand equity growth has enabled continued investment across the portfolio, as we pursued several targeted growth initiatives while balancing volume and margin in a competitive market.

CEO'S REPORT continued

We have made progress in unlocking the premium bread opportunity: our Sunbake Sourdough range was well received by the market, retailers and consumers, and rolled out well ahead of plan, with further premiumisation opportunities now in development. Pivoting Pies into frozen convenience has commenced with the launch of the versatile new Pieman's Pockets. While still in early stages, this project has performed well, and we will continue to invest in increasing volumes and innovation in this space. Despite the production challenges, growing Pet Food into more profitable channels and brands has gained momentum, with work on the longer-term Pet Food brand and channel strategy nearing completion.

Our binding agreement to acquire Martin & Martin is an important strategic development in line with our ambition to grow within the pet food category. The business has a strong portfolio of wet dog and cat food, biscuits, treats and pet care products under brands including Husky, Pamper, Beeno and Bob Martin. Its complementary capabilities would broaden our offering beyond our predominantly dry pet food portfolio and accelerate our participation in higher-growth areas of the category. The acquisition remains subject to Competition Authorities approval.

Performance across the portfolio was mixed. Our Culinary operating unit delivered a strong performance, maintaining market leadership and growing brand equity for key brands despite intensified price competition. Conversely, Pet Food fell significantly with volumes declining 20.5%, materially impacted by the detection of Salmonella in some of our dry pet food product, which necessitated a nationwide product recall and resulted in disruptions to production and stock write-offs. We acted swiftly to recall affected batches and engaged openly with consumers, customers and regulators. Our deliberate approach to testing and trade releases reflects our commitment to food safety and the health of South Africa's beloved pets.

The Baking business unit delivered an improved performance, aided by manufacturing efficiencies and cost control across its operating units.

Sugar reported a significantly lower result due to high volumes of deep-sea imports, enabled by the absence of effective tariff protection, which led to lower local-market sales and a greater proportion of sugar volume sold into the lower-priced export market.



Read more about our performance against the Right Growth pillar from page 82.

FUTURE FIT – IMPROVING RESILIENCE AND EFFICIENCY

Our Future Fit imperative is to create an efficient and sustainable organisation capable of adapting to changing market conditions, and we gave considerable attention to the related initiatives during the year.

Continuous improvement and NRM remained important levers for value creation throughout the year. They supported margin management, generated efficiency opportunities and helped us respond to cost and volume pressure – especially in the context of minimal price increases across categories – while remaining mindful of consumer affordability.

We advanced to the next phase of our enterprise resource planning system roadmap, rolling out new costing, sales and warehouse-management capabilities. We also began scaling our digital and artificial intelligence (AI) competencies across a portfolio of high-value use cases to drive competitiveness, manage costs and accelerate innovation.

We continued to invest selectively in the capabilities required to strengthen the portfolio. Capital expenditure targeted innovation in Bread, Pieman's

and Sugar, operational replacement spend and our ongoing multi-year enterprise resource planning modernisation. Our total capital investment of R1 124,3 million reflects the Group's continued drive to responsibly invest in its capital base despite challenging financial and trading conditions.

During the year, the Group enhanced its ability to manage climate-related risks, improve resource efficiency and support its transition to a lower-carbon business. Enhanced ESG data, reporting and environmental performance measurement improved decision-making, while Scope 3 emissions baselining, climate risk scenario analysis and decarbonisation planning – including a Sugar energy roadmap – focused on efficiency and reduced coal use, embedded sustainability deeper into strategy and risk management, strengthening the foundations for long-term resilience and value creation.

Consistent focus on energy and water performance management continued to support operational efficiency, cost control and regulatory readiness, while early-stage climate risk and catchment-based water strategy work advanced understanding of future business exposures. Together, these initiatives are strengthening the integration of sustainability into performance management, capital allocation and long-term business planning.

Beyond operational and strategic progress, sustainability was further embedded across leadership culture, corporate brand positioning and external reporting, building trust, transparency and long-term value creation.



Read more about our performance against the Future Fit pillar from page 92.

NAVIGATING THE CHALLENGES IN SUGAR

Our Sugar business unit remained resilient through disciplined operational execution and a relentless focus on cost management and commercial discipline. While external factors such as inadequate tariff protection, which enabled elevated import dumping, continued to weigh on industry performance, Sugar delivered a good operational result, reinforcing the business's resilience and long-term competitiveness.

The signing of Phase 2 of the Sugarcane Value Chain Master Plan marked an important milestone for the industry, reinforcing a shared commitment to tariff protection, diversification and long-term sustainability. We continued to work through SASA to advocate for an effective tariff framework that supports a more level playing field for local producers.

The uncertainty surrounding Tongaat Hulett's business rescue process eased following the withdrawal of its provisional liquidation application. However, the business remains in business rescue, and the timely resolution of outstanding industry obligations remains important to the stability of the broader sugar value chain.

Sugar industry performance is sensitive to global pricing and import trends – increased imports and lower world sugar prices typically place downward pressure on results. In this context, we are doubling down on operational resilience while continuing to engage productively with Government and industry partners to secure appropriate tariff protection and support sustainable growth.



Read more about how we are driving resilience amid volatile sugar market dynamics on page 87 of the Right Growth section.

CEO'S REPORT continued

LOOKING AHEAD

While we do not expect a sharp recovery in market volumes, we have navigated difficult conditions before, and our focus remains firmly on the factors within our control – continuous improvement, NRM and innovation.

We remain committed to our Pet Food recovery plan, restoring consumer trust and market share while driving our long-term strategic growth goals. Meanwhile, our Sugar business enters the coming season with strong operational and agricultural momentum, backed by a promising crop outlook, improved energy efficiency and tight control over sugar losses. In August 2026, a revised dollar-based reference price for sugar was implemented. The revised reference price is expected to reduce the influx of subsidised deep-sea imports and support an improved balance between local-market and export sales into the new season.

We are confident in our ability to execute against the factors within our control, to keep adapting as the environment evolves and to position the business for stronger returns in the future.

I thank our people for their commitment and resilience, particularly during the challenges of the year. I also thank our consumers, customers, suppliers, partners, communities and shareholders for their continued support.

By maintaining our focus on the matters within our control and investing deliberately in our future, we will continue to grow what matters and create shared value for all our stakeholders.

Paul Cruickshank
Chief Executive Officer

August 2026



CFO'S REPORT

RCL FOODS' 2026 financial year was characterised by adverse sugar market conditions and production challenges in Pet Food placing significant pressure on Group profitability. We remain committed to strengthening the quality of earnings, maintaining financial discipline and investing in our strategic growth priorities.

Rob Field, Chief Financial Officer



OVERVIEW OF MARKET CONDITIONS

The operating environment remained challenging. Despite a stabilisation in food inflation and lower interest rates than the prior years, South African households remain cautious with their spending, as several recent years of elevated inflation, high debt-servicing costs and more recently higher fuel costs, have resulted in lower levels of disposable income. Input commodity prices in key RCL FOODS' areas, such as wheat and sunflower were, on average, largely in line with the prior year, offering some price stability. However red-meat costs (which largely impacted our Pieman's business) rose following an outbreak of foot-and-mouth disease in South Africa. Average food inflation for the year was 3.9%. The Ask'd food basket, excluding staples, reflected volume growth of 2.3% and price growth of 0.3% for the market over the year, highlighting that volume growth is being achieved by maintaining selling prices and affordability, despite inflationary input cost pressures.

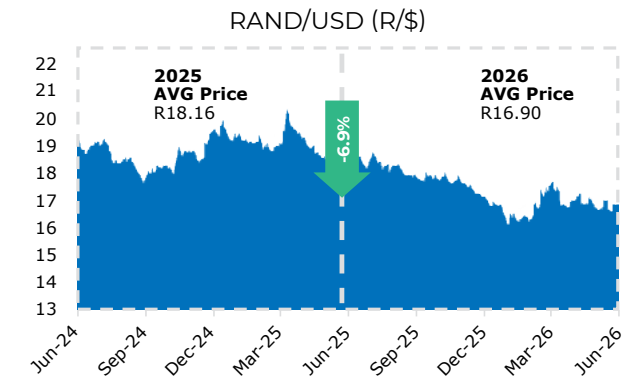
Despite the challenges faced in the current year, we remained aligned with our strategy to shape a better-balanced, more branded business and maintained an unrelenting focus on the factors within our control. This included a stringent focus on operational efficiencies, ongoing innovation and continued investment in our brands during the year. Programmes such as continuous improvement and NRM, which are within our control and key themes to this set of results across all business units, delivered meaningfully during the year.

A summary of developments in the Group's key external drivers for 2026 is included in the section below.

RAND/DOLLAR EXCHANGE RATE

The Rand strengthened over the reporting period despite intermittent volatility linked to local and global developments. It averaged R16.90/US\$ for the year, compared to R18.16/US\$ in the prior year, representing a 6.9% improvement. The currency appreciated from

R17.80/US\$ at the start of the financial year to a low of R15.72/US\$ in January 2026. This momentum was interrupted by the outbreak of the Iran–USA conflict in February 2026, which caused the Rand to weaken to R17.09/US\$ within a month. The Rand has remained range-bound between R16/US\$ and R17/US\$ post the outbreak of the Iran–USA conflict, encouragingly less volatile despite ongoing geopolitical developments, providing better price predictability.

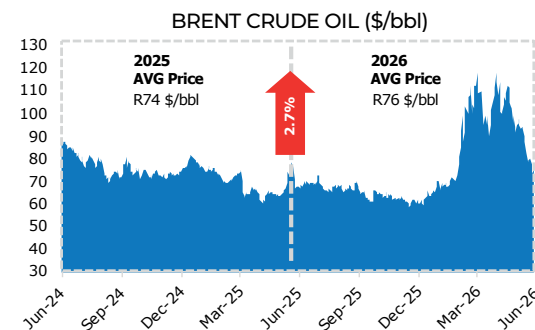


Sources: Reuters



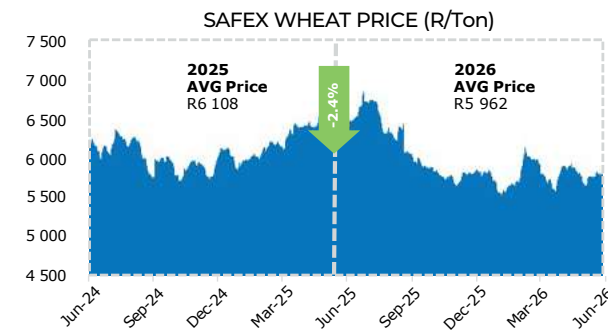
CFO'S REPORT continued

BRENT CRUDE OIL



Brent crude oil prices averaged approximately US\$76 per barrel, compared to US\$74 per barrel in the prior year. The outbreak of the Iran–USA conflict and uncertainty over key shipping routes in late February 2026 triggered a sharp increase in prices and volatility, with prices peaking at US\$125 per barrel in April 2026. Refining capacity within the affected regions was compromised, causing a shortage of refined products including diesel and petroleum. Restoring the capacity is expected to take time and prices are likely to remain elevated. Prices remain volatile and continue to be influenced by the conflict.

WHEAT

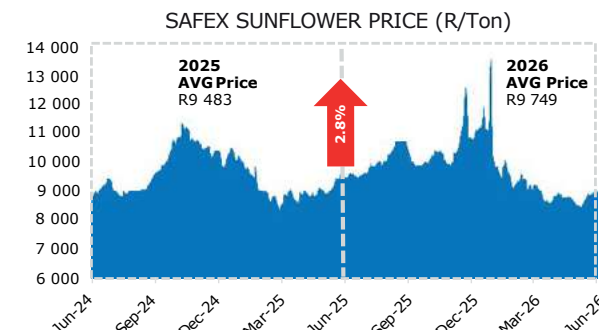


Local SAFEX wheat prices softened during the reporting period, averaging R5 962 per tonne compared to R6 108 per tonne in the prior year, a decrease of 2.4%. The domestic wheat crop was largely in line with the prior season at approximately 1.91 million tonnes with increases in area planted being offset by weather-driven declines. South Africa remained a net importer of wheat, with local prices largely influenced by global wheat prices, Rand/Dollar exchange rate movements and changes in wheat import tariffs. Softer international wheat prices due to ample global supply, particularly from good crops in the Black Sea region and the stronger Rand drove lower SAFEX wheat prices during the year.

The Iran–USA conflict drove prices higher, mainly due to temporary Rand weakness, but prices have since stabilised.



SUNFLOWER SEED



The average local sunflower seed price was R9 749 per tonne, compared to R9 483 per tonne in the prior year, an increase of approximately 2.8%. The final local production estimate for the 2024/2025 season was 708 635 tonnes, approximately 76 000 tonnes above the 2023/2024 crop.

Despite the marginal change in average prices, local SAFEX sunflower seed prices were volatile during the reporting period, ranging from approximately R8 677 per tonne to R11 000 per tonne. Prices rose by R3 789 per tonne, from R9 811 per tonne to R13 600 per tonne, between November 2025 and the end of January 2026 due to anticipated delays in the crop harvest in February.

The latest local production forecast for the 2025/2026 season is 874 805 tonnes, around 160 000 tonnes above the final 2024/2025 crop. Despite the improved production outlook, prices remained elevated, supported by firm domestic oilseed demand and higher global vegetable oil prices.

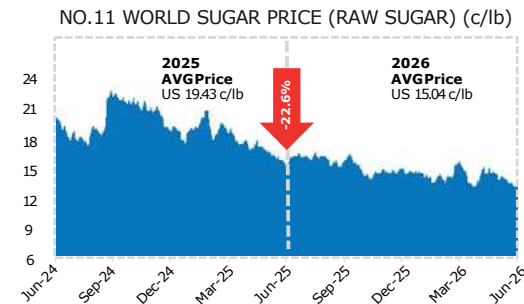
PEANUTS

Local peanut production for the 2025 harvest increased to 63 350 tonnes, 11 350 tonnes above the prior season. Despite this improvement, domestic supply remained insufficient, leaving South Africa a net importer and local prices continued to trade towards import parity. Import tariff structures remained a key concern for the local industry, as raw peanuts continued to attract a 10% duty while finished peanut products, particularly peanut butter, historically attracted significantly lower duties, placing local producers at a competitive disadvantage. During the year, the industry's application to the International Trade Administration Commission (ITAC) progressed, and in July 2026 ITAC recommended increasing the customs duty on imported peanut butter from 0.99c/kg to 20%, which will assist in levelling the playing field by supporting local sales volumes. ITAC also indicated that it would investigate a temporary rebate on imported groundnuts to reduce input cost pressure and improve the competitiveness of domestic processors.



CFO'S REPORT continued

RAW SUGAR (NO. 11 ICE)



Global raw sugar prices declined steadily after peaking at 23.4 US cents per pound in September 2024, closing the reporting period at 14.34 US cents per pound, 38.7% below the peak. The decline was driven by crop recoveries in Brazil and India, weaker global demand, particularly from China, and speculators reducing their long positions. The impact of higher crude oil prices following the Iran–USA conflict has not had a material impact on sugar prices to date. The average No. 11 sugar price for the reporting period was 15.04 US cents per pound, 22.6% lower than the prior year average of 19.43 US cents per pound.

GROUP FINANCIAL OVERVIEW –
CONTINUING OPERATIONS*

RCL FOODS' revenue for the year ended June 2026 decreased by 4.1% to R24,5 billion (2025 restated**: R25,5 billion). Our results were materially impacted by challenges in Sugar and Pet Food with underlying EBITDA decreasing by 8.6% to R2 184,7 million (2025: R2 390,6 million) at a margin of 8.9% (2025: 9.4%).

Underlying headline earnings from continuing operations decreased to R951,4 million (2025: R1,3 billion) and underlying HEPS from continuing operations to 105.9 cents (2025: 146.1 cents), largely due to the decline in underlying EBITDA compounded by a R127,2 million lower share of profits from our associate, Royal Eswatini Sugar Corporation (RES). Cash generated by operations was R1,4 billion, significantly lower than the prior year (2025: R3,1 billion), reflecting the decline in profitability and adverse net working capital movements.

Underlying ROIC decreased to 9.0% (2025: 13.0%), largely attributable to the lower profitability combined with an increase in the invested capital base, due to higher inventory levels and capital expenditure.

* Continuing operations relates to the remaining RCL FOODS business, comprising the Groceries, Baking, Sugar and Group (shared services) segments, post the Rainbow unbundling effected on 1 July 2024.

** Revenue from continuing operations for the prior year was restated due to a reclassification between revenue and cost of sales. Refer to note 34 in the Annual Financial Statements for further details.

PERFORMANCE FINANCIAL HIGHLIGHTS FROM CONTINUING OPERATIONS
AT A GLANCE

Revenue

**R24,5
billion**

4.1% decrease

2025**: R25,5 billion

Underlying*** EBITDA

**R2 184,7
million**

8.6% decrease

2025: R2 390,6 million

Underlying EBITDA
margin %

8.9%

0.5 ppts decrease

2025: 9.4%

Share of (losses)/profits from
JVs and associates

**(R7,9)
million**

106.2% decrease

2025: R128,2 million

Underlying headline
earnings

**R951,4
million**

27.1% decrease

2025: R1 305,7 million

Underlying HEPS

**105.9
cents**

27.5% decrease

2025: 146.1 cents

Capital expenditure
(including intangibles)

**R1 124,3
million**

20.6% increase

2025: R931,9 million

Underlying ROIC %

9.0%

4.0 ppts decrease

2025: 13.0%

Cash generated by
operations

**R1 437,4
million**

53.1% decrease

2025: R3 067,6 million

*** The underlying view of the results excludes material once-offs and accounting adjustments to enable a like-for-like comparison between the current and prior period, thereby enabling investors and shareholders to gain a more meaningful view of the business's underlying performance. Refer to the *pro-forma* section on page 130 for the reconciliation between unadjusted and underlying results.

CFO'S REPORT continued

INCOME STATEMENT

RCL FOODS' revenue for the year ended June 2026 decreased by 4.1% to R24,5 billion (2025: R25,5 billion), largely a function of lower realised sugar prices and volumes and lower Pet Food and Milling volumes sold. Revenue by segment is reflected in the table below.

EBITDA

Rm	June 2026	Margin %	June 2025	Margin* %	% Change	Margin change (ppts)
Groceries	465,5	8.9	630,2	11.6	(26.1)	(2.7)
Baking	924,0	9.9	802,4	8.6	15.2	1.3
Sugar	754,6	7.6	1 094,4	10.2	(31.0)	(2.6)
Group	69,1		100,7		(31.4)	
Unallocated restructuring costs	(38,9)		(65,0)		40.2	
EBITDA	2 174,4	8.9	2 562,7	10.0	(15.2)	(1.1)

* Revenue from continuing operations for the prior year was restated for a reclassification between revenue and cost of sales. The prior year margins have been adjusted accordingly. Refer to note 34 in the Annual Financial Statements for further details.

The current and prior year EBITDA were materially impacted by once-off items and accounting adjustments, as detailed below:

- Negative fair value adjustments on the Group's commodity raw material procurement positions, which decreased current year EBITDA by R10,3 million (2025: R40,8 million positive adjustment). The current year movement relates mainly to sunflower positions
- Insurance proceeds of R40,3 million in the prior year in respect of the February 2023 flood damage in Nkomazi (R19,4 million of the benefit relates to the 50% owned sugarcane grower companies (community-based joint ventures (CBJVs))
- A R91,0 million partial recovery in the prior year, in respect of the sugar industry levy charged to RCL FOODS during the 2023 financial year, which resulted from Tongaat and Gledhow suspending payment of their industry obligations (R21,4 million of this benefit relates to the CBJVs)

UNDERLYING EBITDA

Rm	June 2026	Margin %	June 2025	Margin* %	% Change	Margin change (ppts)
Groceries	477,5	9.1	592,2	10.9	(19.4)	(1.8)
Baking	922,4	9.9	799,7	8.6	15.3	1.3
Sugar	754,6	7.6	963,1	8.9	(21.6)	(1.3)
Group	69,1		100,7		(31.4)	
Unallocated restructuring costs	(38,9)		(65,0)		40.2	
Underlying EBITDA	2 184,7	8.9	2 390,6	9.4	(8.6)	(0.5)

* Revenue from continuing operations for the prior year was restated for a reclassification between revenue and cost of sales. The prior year margins have been adjusted accordingly. Refer to note 34 in the Annual Financial Statements for further details.

Excluding the above impacts, underlying EBITDA decreased R206,2 million (8.6%) to R2 184,7 million (2025: R2 390,6 million) at a margin of 8.9% (2025: 9.4%).

Within **Groceries**, good performances in Culinary and Beverages was offset by production disruptions at one of our dry pet food plants. Culinary delivered higher margins achieved through continuous improvement and NRM initiatives despite lower volumes, while Beverages benefited from a favourable product mix, continuous improvement savings and operational efficiencies. Pet Food's performance was materially impacted by the detection of Salmonella in some of our dry pet food products, which necessitated a nationwide product recall and resulted in disruptions to production and stock write-offs.

Baking delivered an improved result aided by manufacturing efficiencies and lower overhead costs, with only Sunshine operations delivering a disappointing result. The balance, being Milling, Sunbake, Speciality and Pieman's have stabilised and are well positioned for growth.

Sugar reported a significantly weaker result due to high deep-sea imports enabled by ineffective tariff protection which resulted in lower local-market sales and increased exposure to the lower-priced export market. Profitability was further impacted by weaker international sugar prices, a stronger Rand, and the inability to increase local selling prices despite rising input costs. Despite these external headwinds, the business delivered a good operational result, underpinned by both improved agricultural and manufacturing performances.

The decline in the **Group** segment is largely due to once-off consultancy costs associated with the acquisition of Martin & Martin (R15,1 million).

IMPAIRMENT

The Group has performed the mandatory impairment tests on the cash generating units (CGUs) with indefinite useful life assets and goodwill. An impairment of R206,1 million has been recognised within the Sunshine CGU due to profitability challenges experienced in recent years following the labour disruption at the Durban bakery in December 2024 and the resultant decline in volumes and customer goodwill which is taking much longer than anticipated to restore. No other impairments were required.

NET FINANCE COSTS

Net finance costs decreased by R1,8 million (1.2%) to R152,5 million (2025: R154,3 million) largely due to the prior year including once-off transaction costs associated with the renewal of the term-funded debt package, with the current year also benefiting from lower margins on the refinanced term-funded debt package alongside lower market interest rates. This benefit was partially offset by lower average cash balances during the year, due to the decline in profitability and higher Sugar stockholdings.

Net finance costs paid for the year of R117,2 million are R35,3 million lower than net finance costs expensed in the income statement mainly due to the non-cash IFRS 16 Leases interest charge.

EQUITY-ACCOUNTED INVESTMENTS

For a description of the main business operations of our JVs and associates, refer to notes 4 and 5 in the annual financial statements, available on our website.



www.rclfoods.com/financial-results-and-reports-2026

CFO’S REPORT continued

ASSOCIATES

ROYAL ESWATINI SUGAR CORPORATION (RES) (ESWATINI)
RCL FOODS’ share of RES’ after-tax results for the year ended June 2026 declined by R127,2 million to a R32,4 million loss (2025: R94,8 million profit) largely due to pricing pressure from imports, lower international sugar prices and a slow start to the crushing season due to late summer rains.

LIVEKINDLY COLLECTIVE AFRICA (SOUTH AFRICA)
RCL FOODS’ share of after-tax losses was R4,8 million for the year ended June 2026 (2025: R1,4 million loss) with the higher loss largely due to softer demand and lower interest income earned.

JOINT VENTURES (JVs)

AKWANDZE AGRICULTURAL FINANCE (AKWANDZE) (SOUTH AFRICA)
RCL FOODS’ share of after-tax profit was R3,4 million for the year ended June 2026 (2025: R3,0 million).

MANANGA SUGAR PACKERS (MANANGA) (ESWATINI)
RCL FOODS’ share of after-tax profit was R25,9 million for the year ended June 2026 (2025: R31,7 million). The decline is due to the impact of deep-sea imports into the South African Customs Union market.

TAXATION

The Group’s effective tax rate, excluding JVs and associates, was 31.4% (2025: 23.7%). The current year effective tax rate was negatively impacted by an impairment of goodwill in the Sunshine CGU which has no tax consequences (R32,1 million tax impact) and a decrease in the deferred tax asset for future tax deductions on the Group’s employee share schemes relating to unexercised share appreciation rights (SARs) awarded to employees (R22,9 million tax impact).

This was partially offset by the utilisation of assessed losses (for which no deferred tax asset has historically been raised) against current year profits earned in our CBJVs (R6,4 million tax impact). Excluding these items, the Group’s effective tax rate was 27.1%.

The prior year effective tax rate benefited from the increase in the deferred tax asset for future tax deductions on the Group’s employee share schemes relating to unexercised SARs awarded to employees (R18,4 million tax impact) and the utilisation of assessed losses (for which no deferred tax asset has historically been raised) against profits earned in our CBJVs (R25,4 million tax impact).

NON-CONTROLLING INTERESTS

Non-controlling interests relate mainly to the outside shareholders’ share of profits in the CBJVs. 50% of the profit after tax of these entities is allocated to outside shareholders through the non-controlling interest line in the income statement. Profits allocated to non-controlling interests decreased by R29,5 million to R12,5 million (2025: R42,0 million) largely attributable to lower cane income due to the lower sugar prices as well as the inclusion of once-off insurance proceeds received in respect of the Nkomazi flood damage and the partial sugar levy recovery in the prior year. The CBJVs performed well operationally, improving yields.

RETURN ON INVESTED CAPITAL (ROIC)

ROIC remains a key metric used by the Group to measure the efficiency and effectiveness of its capital allocation. ROIC and underlying ROIC are non-defined measures under IFRS and are therefore considered to be *pro-forma* financial information in terms of the JSE Listings Requirements. The compilation thereof has been opined on by Ernst & Young Inc. and this report is available for inspection as published on the RCL FOODS [website www.rclfoods.com/financial-results-and-reports-2026](http://www.rclfoods.com/financial-results-and-reports-2026).

ROIC is calculated using net operating profit after tax, including share of profits/losses of associates and JVs (NOPAT), divided by invested capital. ROIC has been calculated on a continuing operations basis. Unadjusted ROIC is reflected in the table below.

UNADJUSTED ROIC

%	June 2026	June 2025	% Change
RCL FOODS	7.4	14.5	(7.1)

ROIC has been impacted by once-off items and accounting adjustments that impacted NOPAT. In addition, invested capital has been distorted by the impact of cut-off on trade and other receivables and payables and tax balances, as highlighted in the statement of financial position commentary on the pages below.

Excluding the impact of these items, “underlying” ROIC is reflected in the table below to enable a like-for-like comparison between the current and prior year, thereby enabling investors and shareholders to gain a more meaningful view of the business’ underlying performance.

UNDERLYING ROIC

%	June 2026	June 2025	% Change
RCL FOODS	9.0	13.0	(4.0)

The 4.0% decrease in the Group’s underlying ROIC is primarily due to the decline in profitability combined with an increase in the invested capital base, due to higher inventory levels and capital expenditure.

CFO'S REPORT continued

CASH FLOW AND WORKING CAPITAL

SUMMARISED CASH FLOW INFORMATION

Rm	June 2026	June 2025
Cash generated by operations	1 437,4	3 067,6
Net cash inflow from operating activities	417,5	2 272,8
Net cash outflow from investing activities	(1 127,0)	(1 438,6)
Net cash outflow from financing activities	(123,2)	(300,0)
Cash and cash equivalents at the end of the period	807,5	1 640,3

Cash generated by operations of R1 437,4 million (2025: R3 067,6 million) is R1 630,2 million lower than the prior year, largely due to the decline in profitability as well as an adverse movement in net working capital of R1 285,7 million, which was impacted by reporting date cut-off on trade and other receivables and trade and other payables. Excluding the impact of cut-off, net working capital outflows were R626,6 million higher than the comparative year.

Impact of cut-off on net working capital requirements Rm	June 2026	June 2025	Variance
Net working capital requirements (outflow)/inflow	(347,8)	937,9	(1 285,7)
Impact of cut-off on trade and other receivables and payables – current year	252,4	(29,8)	282,2
Impact of cut-off on trade and other receivables and payables – prior year	29,8	(347,1)	376,9
Net working capital requirements excluding cut-off impact (outflow)/inflow	(65,6)	561,0	(626,6)

The increase in working capital outflows (excluding cut-off) was mainly attributable to higher inventory balances and higher outflows on net trade and other payables and receivables. Inventory outflows of R496,5 million increased by R470,7 million in comparison to the prior year due to the higher balances in Sugar and Milling. The increase in net trade and other payables and receivables outflows is largely due to the settlement of the prior year short-term incentive in the current year, without a corresponding accrual raised for a current year incentive and the settlement of the inaugural value creation plan incentive of R79,2 million in the current year. Refer to the statement of financial position commentary for further detail.

Included in the non-cash items/adjustments of R502,4 million are addbacks of depreciation and amortisation of R685,3 million and the Sunshine impairment charge of R206,1 million, which was partially offset by the deduction of a positive fair value adjustment on biological assets of R422,9 million.

Provisional tax payments for the current financial year processed after the 28 June 2026 reporting date cut-off amounted to R40,6 million (2025: R189,4 million). Excluding the impact of cut-off, tax paid decreased by R224,6 million to R290,9 million, mainly due to lower profitability in the current year, partially offset by R58,4 million in top-up tax payments related to the 2025 financial year.

The cash outflow from investing activities of R1 127,0 million in the current year is R311,5 million lower than the outflow for the prior year. Capital expenditure (including intangibles and excluding unpaid amounts at reporting date) of R1 124,3 million was R192,4 million higher than the prior year and highlights the Group's continued drive to responsibly invest in its capital base despite the decline in profitability experienced during the year. Other material variations in year-on-year cash outflow from investing activities relate primarily to once-offs in the prior year. The comparative year included an outflow of R476,4 million related to the deconsolidation of the Rainbow cash on hand and cash invested in the Group at unbundling date of 1 July 2024 and a R100,1 million refund of sale proceeds outflow in terms of the Vector Logistics disposal agreement.

The net cash outflow from financing activities for the current year of R123,2 million is R176,8 million lower than the prior year. The decrease is largely due to the prior year including the R175,0 million outflow resulting from reducing our term-funded debt.

SUMMARISED STATEMENT OF FINANCIAL POSITION

Key statement of financial position items are highlighted below:

Rm	June 2026	June 2025
Property, plant and equipment	5 355	4 848
Right-of-use assets (including leasehold improvements)	274	309
Intangible assets	1 454	1 525
Goodwill	1 813	1 931
Net working capital:	2 642	1 949
Trade and other receivables	3 346	3 560
Inventories	3 457	2 961
Biological assets	419	414
Trade and other payables	(4 580)	(4 986)
Investment in JVs and associates	1 226	1 267
Non-current trade and other payables and receivables	(25)	(117)
Derivative financial instruments and deferred income	(1)	13
Tax assets and liabilities	(904)	(991)
Retirement benefit obligations	(30)	(26)
Investment in financial asset	114	114
Invested capital	11 917	10 824

CFO'S REPORT continued

Rm	June 2026	June 2025
Loans receivable	24	16
Deferred income	(2)	(2)
Cash and cash equivalents	808	1 640
Capital and reserves	(10 669)	(10 387)
Interest-bearing liabilities, including lease liabilities	(2 078)	(2 092)
Net assets of disposal group classified as held for sale	1	1
Total	(11 917)	(10 824)

NON-CURRENT ASSETS

PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE
ASSETS, INTANGIBLE ASSETS AND GOODWILL

Property, plant and equipment increased by R506,6 million from June 2025, mainly driven by capital expenditure of R1 078,7 million, partially offset by depreciation of R549,1 million.

Intangible assets decreased by R71,2 million from June 2025 mainly due to the impairment of the Sunshine brand recognised during the current year and amortisation of R39,9 million, partially offset by capital expenditure of R41,3 million.

Goodwill decreased by R118,8 million due to the impairment recognised within the Sunshine CGU during the current year.

Capital expenditure (including intangibles of R41,3 million and excluding non-cash additions to property, plant and equipment and intangible assets) for the year ended June 2026 was R1 124,3 million. Significant spend items include:

- Replant and irrigation expenditure at our Sugar farms (R96,4 million)
- Infrastructure related expenditure at the Pieman's plant (R66,6 million)
- Sugar innovation spend (R63,4 million)
- Multi-year enterprise resource planning modernisation roadmap to enable digital transformation across the Group (R47,0 million)
- The refurbishment of boilers at the Sugar mills (R34,1 million)
- Additional capacity in Pet Food (R22,1 million)
- Expenditure related to innovation production capability in Bread (R21,2 million)

Right-of-use assets decreased by R34,9 million from June 2025 mainly due to depreciation of R96,2 million which was partially offset by capitalisations of R57,5 million mainly related to the lease extension on a storage facility in Sugar.

INVESTMENT IN ASSOCIATES

Investment in associates decreased by R54,8 million to R965,9 million (2025: R1 020,8 million) driven mainly by the Group's R32,4 million share of losses in RES and a R16,4 million dividend received from RES.

CALCULATION OF ROIC

R'000	June 2026	June 2025
EBIT	1 283 024	1 918 008
Income tax expense	(354 375)	(431 832)
Tax on net finance costs (27%)	(41 171)	(41 653)
Share of profits of joint ventures	29 337	34 774
Share of (losses)/profits of associates	(37 231)	93 437
Net operating profit after taxation (NOPAT)	879 584	1 572 734
Loans receivable	(23 624)	(16 429)
Deferred income (loan-related portion)	1 614	2 382
Cash and cash equivalents	(807 505)	(1 640 310)
Capital and reserves	10 669 154	10 386 619
Interest-bearing liabilities	2 078 067	2 092 221
Net assets of disposal group classified as held for sale	(572)	(572)
Invested capital	11 917 134	10 823 911
NOPAT	879 584	1 572 734
Invested capital	11 917 134	10 823 911
ROIC (NOPAT/invested capital)	7.4%	14.5%

CFO’S REPORT continued

NET WORKING CAPITAL

Current net working capital (including biological assets) increased by R693,2 million from the prior year and from 7.6% to 10.8% as a percentage of revenue.

Inventories increased by R496,5 million from June 2025. Sugar’s inventory increased by R450,5 million driven by higher local stock volumes on hand as local demand declined due to imports, together with increased raw export stock volumes on hand, due to the sales mix shift, with raw export stocks subject to realisation through the SASA and its shipping schedule. Milling’s inventory increased by R125,5 million, primarily due to higher wheat stock holdings. The increases above were partially offset by an R89,6 million decrease in Groceries’ inventory mainly due to lower pet food inventory as a result of the production challenges and lower sunflower seed holdings impacted by the timing of deliveries versus the prior year.

Trade and other receivables and trade and other payables decreased by R214,3 million and R406,0 million respectively, with the absolute balances impacted by the timing of the reporting date cut-off, which fell on 28 June 2026, with the comparative year falling on 29 June 2025. The cash impact of cut-off on the current year was R908,6 million on trade and other payables (2025: R1 199,7 million) and R1 161,0 million on trade and other receivables (2025: R1 169,9 million). Excluding the impact of cut-off in both the current and prior year, net trade and other payables and receivables increased by R90,5 million.

The increase was mainly driven by a redistribution payable being due to SASA in the current year versus a receivable recorded in the prior year, related to the first quarter of the sugar season (April to June) as well as unsettled balances relating to higher Milling wheat stocks at year-end.

IMPACT OF CUT-OFF ON CURRENT TRADE AND OTHER RECEIVABLES AND TRADE AND OTHER PAYABLES

Current trade and other receivables and trade and other payables (Rm)	June 2026	June 2025	Variance
Trade and other receivables	3 345,6	3 559,9	(214,3)
Cut-off impact	(1 161,0)	(1 169,9)	8,9
Trade and other receivables excluding cut-off impact	2 184,6	2 390,0	(205,4)
Trade and other payables	(4 580,5)	(4 986,4)	406,0
Cut-off impact	908,6	1 199,7	(291,1)
Trade and other payables excluding cut-off impact	(3 671,8)	(3 786,7)	114,9
Net trade and other payables	(1 234,9)	(1 426,5)	191,7
Cut-off impact	(252,4)	29,8	(282,2)
Net trade and other payables excluding cut-off impact	(1 487,3)	(1 396,7)	(90,5)

Biological assets increased by R5,0 million mainly due to improved cane quality, age and yields supported by favourable growing conditions, enhanced agronomic practices and rain-related harvesting delays toward the end of the year which increased the volume of biological assets on hand. This was largely offset by a decline in the Recoverable Value (RV) price (used to price sugarcane purchases from growers) driven by the adverse shift in Sugar’s sales mix for the industry and lower international raw sugar prices. Cash on hand decreased by R832,8 million to R807,5 million at June 2026 (2025: R1 640,3 million). Detail on the material drivers resulting in the decline in cash is provided in the cash flow section above.

INTEREST-BEARING LIABILITIES, INCLUDING LEASE LIABILITIES

Total interest-bearing liabilities, including lease liabilities of R2 078,1 million decreased by R14,2 million from June 2025 mainly due to rental payments made during the year of R173,3 million, partially offset by the capitalisation of new and extended leases (R57,5 million) and interest (R46,0 million).

OTHER NON-CURRENT ASSETS AND LIABILITIES

Non-current trade and other payables mainly relates to the accrual under the Group’s long-term incentive scheme, which operates as a deferred cash bonus linked to the financial performance of the Group. The decrease in the accrual in the current year is largely attributable to the decline in profitability.



Refer to the Right Growth section from page 82 for details on business unit performance during the year.



Refer to our full AFS for details on the Group’s financial performance during the year.

ACCOUNTING POLICIES

The Group’s accounting policies are governed by IFRS, and guidance has been obtained from the International Financial Reporting Interpretations (IFRIC) Committee and circulars. The Group maintains the view that the standards set the minimum requirements for financial reporting.

RESTATEMENT OF COMPARATIVE REVENUE INFORMATION

In light of recent changes to the Sugar Industry Agreement, we have reassessed our classification of redistribution payments in the income statement which was previously presented by individual sugar operation and concluded that we should classify redistribution payments on a net entity level as this better reflects the substance of the arrangement with SASA. This is in accordance with IAS 1 which states that an entity may present gains and losses arising from similar transactions on a net basis where this reflects the substance of the transaction. This results in an overall decrease in reported revenue of R946,6 million and a corresponding decrease in cost of sales of R946,6 million for the year ended 29 June 2025.

CFO'S REPORT continued

Included within the R946,6 million reclassification is an amount of R153,6 million which arises from a reclassification between revenue from contracts with customers and revenue receipts from SASA, which also required restatement. There was no impact to total revenue arising from the reclassification of R153,6 million. This only has a disclosure impact within the disaggregation of revenue note. These reclassification restatements have no impact on gross profit, operating profit, earnings, headline earnings, cash flows or net asset value.

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 2026 financial statements and results are presented for the 52-week period ended 28 June 2026. The next 53-week financial year will occur in our 2027 financial year, for which the results will be presented for the 53-week period ending 4 July 2027.

FINANCIAL RISK MANAGEMENT

We operate in a highly dynamic environment, where rising imports, fluctuating global commodity prices and evolving tariff structures continue to present material risks – particularly in sugar and oil (fuel). These pressures affect input costs, pricing strategies and ultimately, market competitiveness.

We actively manage these risks through robust financial risk management processes, including hedging strategies and ongoing cost modelling. This allows us to respond quickly to market shifts and protect margins across our portfolio.

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 assessment of the Group's risk-bearing capacity is performed

to identify opportunities to increase our self-insurance levels, and it is our intention to methodically increase these self-insurance levels over time, where commercially viable, to manage the absolute total cost of insurance to an optimal level. In conjunction with our self-insurance levels, we also maintain a robust risk management programme, including risk-related infrastructure spend, which has proved effective in containing premium increases.

The scale of the Group's assets means that the underwriting has been 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.

Continued investment in risk management expenditure has strengthened the Group's risk profile and helped to contain premium increases.

During the current financial year, the Group experienced a material contaminated product insurance event relating to a dry pet food Salmonella incident. The claim is being managed under the Group's Contaminated Products Insurance Policy, which provides cover for recall-related costs, affected stock, loss of gross profit and related response costs, subject to a R100 million policy limit and a R15 million deductible. This claim is still being assessed by the loss adjustor. The Group has secured Contaminated Products Insurance cover for the new policy period.

In late January 2026, severe flooding in the Nkomazi region affected the Malelane and Komati operations. Mitigation measures implemented after the previous regional flood were highly effective in limiting physical damage. Damage was largely limited to roads and access routes, with potential cane yield losses arising from deterioration in cane quality. The claim will be finalised once all cane has been harvested and final yields have been quantified. The deductible for this claim is R25 million.



Refer to the Our material risks and opportunities section from page 39 for details on our risk management processes.

CAPITAL STRUCTURE AND FUNDING

Our source and application of funds approach ensures we balance operational reinvestment with disciplined capital allocation for strategic growth. The Group continued to responsibly invest in its capital base despite the declines in profitability experienced during the year.

We continue to manage our capital structure conservatively, ensuring sufficient headroom to navigate volatility while supporting future growth. Our cash-positive position and prudent funding approach enable us to respond to changing conditions without compromising investment capacity.

The Group uses supplier finance arrangements, primarily for commodity suppliers, to support working capital management. Refer to note 17 in the Annual Financial Statements for further detail. The Group entered into an asset funding facility agreement with Wesbank to fund the purchase of bread delivery vehicles in the Bread, Buns and Rolls operating unit. Refer to note 15 in the Annual Financial Statements for further detail.

We remain focused on preserving financial flexibility, optimising working capital and maintaining a strong liquidity position. This positions us to support our long-term strategy, fund innovation and protect our ability to deliver shareholder returns, even in a challenging macroeconomic environment.

In line with our ambition to grow within the pet food category, the Group entered into a binding agreement to acquire Martin & Martin, which will diversify our pet offering into fast-growing wet food, biscuits, treats and pet care. The acquisition remains subject to Competition Authorities approval and will be funded through a combination of debt and available cash on hand.

CENTRAL TREASURY AND DEBT REFINANCE

The centralised 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 function's objectives are to:

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

Cash flow is monitored daily with individual borrowing limits in place across the different segments.

CFO'S REPORT continued

TERM-FUNDED DEBT PACKAGE

The debt package was successfully refinanced in December 2024 for a period of five years extending its maturity to December 2029. The lower R1,5 billion term-funded debt package is considered appropriate for the RCL FOODS Treasury portfolio, following the exits of Vector Logistics and Rainbow from the Group. The debt package's interest rate is the three-month Johannesburg Interbank Average Rate (JIBAR) plus a margin of 1.39%.

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 with sufficient headroom for the 2026 financial year.

The Group hedged R1,0 billion of term-funded debt through a combination of interest rate caps and collar options. This includes a R500,0 million cap at 8.50%, effective from December 2025 to December 2027 and a R500,0 million collar with a 6.00% floor and a 7.25% cap, effective from December 2026 to December 2028 to minimise exposure to interest rate volatility.

SOUTH AFRICAN BENCHMARK REFORM

The South African Reserve Bank has introduced the South African Rand Overnight Index Average (ZARONIA) as the replacement benchmark reference rate for JIBAR, which is scheduled to cease publication following its final publication in December 2026.

Subsequent to financial year-end, on 30 June 2026 (transition date), the Group amended its Senior Facilities Agreement comprising the term-funded debt borrowing of R1,5 billion to transition from JIBAR to ZARONIA. Effective from the transition date, all existing trades at transition date will be at ZARONIA plus a credit adjustment spread plus the agreed margin. The credit adjustment spread is intended to compensate for differences between the outgoing and replacement benchmark rates and to approximate, as far as practicable, the economic equivalence of the borrowing arrangements following the benchmark transition.

DIVIDENDS AND SHAREHOLDER RETURNS

Our dividend philosophy remains conservative yet responsive, balancing disciplined capital stewardship with a commitment to sustainable shareholder returns. We aim to support long-term value creation by funding growth while preserving a strong balance sheet.

We declared a final cash dividend of 25.0 cents per share, bringing the total dividend for the year to 40.0 cents per share. While we do not maintain a formal dividend cover policy, the current year HEPS to dividend per share cover of 2.6 times was largely in line with the prior year, with the absolute decline in dividends declared being due to the decline in financial performance in the current year.

Following Rainbow's full exit from our business services platform at the end of the current financial year, the operational separation from the Group has been concluded in a seamless and responsible manner. Both businesses are now appropriately positioned to pursue growth within their respective strategic areas of focus. Good progress has been made in implementing savings initiatives to address the dis-synergies arising from the separation, and focus will remain on ensuring the platform remains fit for purpose and leveraging its capability through organic and inorganic growth opportunities.

Looking ahead, we remain cautiously optimistic about the Group's prospects. Our continued focus on continuous improvement and NRM, together with further investment in brand equity and innovation, is expected to strengthen the quality of our earnings. Dividend decisions will continue to be guided by earnings performance, liquidity requirements and future investment needs.

CONCLUSION

We are committed to strengthening the quality of earnings and cash conversion through disciplined capital allocation, positioning the Group to deliver more resilient and sustainable shareholder returns.

Rob Field

Chief Financial Officer

August 2026



PERFORMANCE AGAINST OUR STRATEGY

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BEHIND EVERY STRATEGY, THERE IS ACTION THAT BRINGS IT TO LIFE

We turn our strategic priorities into progress across our business.

PEOPLE FIRST

We embrace the power of diversity and aim to create an inclusive workplace that attracts, values, respects and invests in people so that all our employees thrive. We will also drive a culture of performance that prioritises action, solutions, simplicity and results, underpinned by accountability, collaboration and effective governance at all levels. Beyond our business, we will strive to ensure dignity and decent work throughout the value chain, while also collaborating with communities to strengthen their resilience through meaningful relationships and investment.



OUR BOARD'S COMMITMENT

To build an inclusive, high-performing workplace that secures and supports top talent, the Board continuously oversees the delivery of the People First strategic pillar. Based on updates received from the Remuneration and Nominations and Social and Ethics Committees, the Board is kept informed of strategic milestones, emerging industry trends and implementation of initiatives to enable it to continuously provide input and support to management.

Our well-entrenched values in action drove corporate resilience in 2026, supporting successful innovation in Baking and Pieman's, disciplined cost management in Sugar and a rapid, solutions-oriented response to challenges in Pet Food.

Recognising that thriving communities are critical to our long-term business success and social sustainability, we invested intentionally in their resilience. These initiatives remain guided by our strategic enablers, 2050 sustainability ambitions and values in action.

PEOPLE FIRST IN FOCUS

Our **strategic enablers**

Champion diversity and build an inclusive, high-performance culture

Page 71

Strengthen community resilience through collaboration and investment

Page 78

Invest in strategic capabilities to drive competitive advantage

Page 81

Our **sustainability focus areas and 2050 ambitions**

EMPLOYEES

We foster wellbeing and belonging through an inclusive workplace that attracts, respects and invests in people



COMMUNITIES

We collaborate with communities proactively to build local opportunities and strengthen resilience through meaningful relationships and investments, so that communities end up better off because of our presence



CAPITALS EMPLOYED



RELATED STAKEHOLDERS



2026 GROUP HIGHLIGHTS

Activated our **high-performance culture playbook** across senior leadership

Made good progress in **improving artisan skills and competencies**, including artisan feeder schemes

Developed a **2030 Employment Equity Plan** to embed equity across our talent management approach

Earned recognition for the **Everyone Gets to PLAY model** as a leading example of partnership-based, system-level social impact

Established a Group-wide **localisation framework** to strengthen supply chain resilience and shared-value creation

Mobilised over **R2 million in disaster relief support**, reaching approximately 3 900 households affected by the Mpumalanga floods

2026 BUSINESS UNIT HIGHLIGHTS

GROCERIES

- Concluded a talent baseline assessment for all sites
- Fostered community cohesion through a soccer tournament that brought together employees, local businesses and the broader community
- Supported food security and inclusion through a partnership with a neighbouring special-needs school, including assistance with a learner garden project and feeding scheme, impacting the lives of 382 children

BAKING

- Strengthened culture and performance through our non-management short-term employee incentive programme
- Built critical capability by strengthening technical, leadership and specialist skills, while developing talent pipelines and succession plans
- Training and development addressed skills shortages, improving leadership effectiveness and advancing innovation
- Advanced ECD outcomes by supporting vulnerable children with nutrition initiatives and early learning programmes

SUGAR

- Launched our first Business Understanding Programme to strengthen employee understanding of the business, build accountability and reinforce a high-performance culture
- Strengthened local economic participation through established sugarcane sourcing practices that support growers and regional communities
- Hosted the 17th edition of the Selati Cup, South Africa's largest amateur grassroots football tournament

PEOPLE FIRST continued

OUR EMPLOYEE PROFILE AND EMPLOYMENT APPROACH

Our employees are among our most valued investments; their expertise, commitment and collaboration are vital to delivering our strategy. By investing in our people's growth, capability and success, we foster an inclusive workplace that prioritises wellbeing and belonging. This dedication naturally enables us to attract, respect and develop diverse talent.

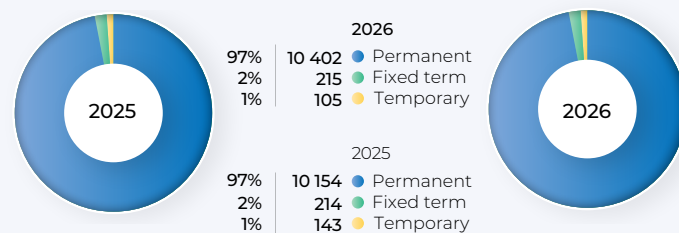
A partnership of mutual trust and shared value makes our people and our business stronger – laying the foundation for enduring performance and a high-performing culture.

Our employment approach focuses on providing meaningful work, opportunities for personal growth and a sense of belonging. It is built on a strong ethical foundation, supported by national legislation, robust policies and a culture of accountability.

We are committed to fair, inclusive and transparent people practices, grounded in values-driven leadership and uncompromising integrity. Clear policies and codes, constructive labour relations, legal compliance and robust ethical reporting channels support this approach. Supplier accountability is upheld through our Code of Ethical Business Practices, which ensures contractors meet strict ethical labour standards. We prioritise ongoing training and development to nurture high-performing teams and future leaders.

These principles drive high performance, safeguard human rights and sustain a culture defined by dignity and fairness.

EMPLOYEE PROFILE



STRATEGIC ENABLER 1: CHAMPION DIVERSITY AND BUILD AN INCLUSIVE, HIGH-PERFORMANCE CULTURE

OUR TRANSFORMATION JOURNEY

In 2026, RCL FOODS' approach continued to embed diversity and inclusion as a core driver of organisational performance and culture. While progress has been made in advancing representation and expanding access to opportunity, our focus has increasingly shifted towards strengthening inclusion, enhancing the employee experience and ensuring that our people feel valued, respected and supported at work.

This reflects a deliberate evolution in our approach, moving from a collection of initiatives to a more integrated and outcome-driven diversity and inclusion strategy, aligned with our organisational priorities, legislative requirements and the lived experiences of our employees.

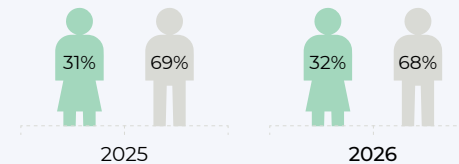
Alongside this strategy, our YouMatter Employee Wellness Programme was expanded and reinforced, evolving from a support offering into a fully integrated, informed wellbeing ecosystem.



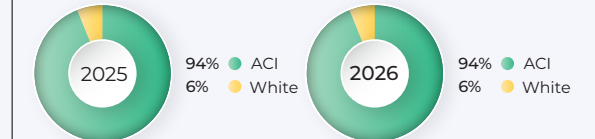
Read more about the YouMatter Employee Wellness Programme on page 77.

OUR GROUP DIVERSITY PROFILE

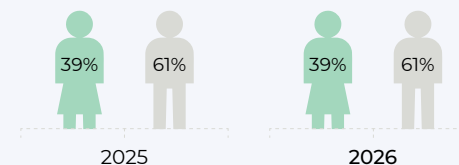
Gender diversity



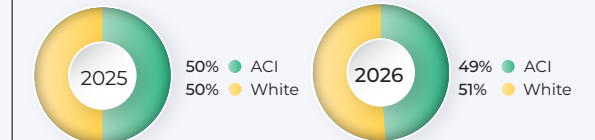
Racial diversity



Management level



Management level



ACI: African, Coloured and Indian

PEOPLE FIRST continued

STRATEGIC ENABLER 1: Champion diversity and build an inclusive culture continued



To translate the strategy into action, accountability for diversity and inclusion is embedded within leadership structures across the Group. Leaders are expected to create inclusive team environments, support equitable talent outcomes and actively role-model inclusive behaviours. Progress is monitored through a combination of representation metrics, employee feedback and people management indicators.

Everyone has the right to dignity and wellbeing – we prioritise diversity and inclusivity and work together with employees, customers, communities, and our value chain partners to make lives better.

Inclusive participation in a digitally enabled workplace is another key focus area. We are scaling Group-wide digital capabilities to establish a baseline of digital fluency and ensure employees across roles and locations can access information, contribute effectively and participate in decision-making.

Through the expansion of the Data Community of Practice across all operating units and sites, we are deepening data literacy, strengthening cross-functional collaboration and supporting more inclusive, evidence-based decision-making across the organisation.

Insights from these engagement platforms indicate that employees value opportunities for open dialogue and access to leadership, while ongoing feedback highlights the importance of consistent leadership behaviour, fair practices and visible follow-through on raised concerns. These insights continue to inform targeted interventions across the business.

HOW WE ENGAGE WITH OUR PEOPLE

CATEGORY	ENGAGEMENT PLATFORM	OUTCOME
QUALITATIVE LEADERSHIP INSIGHT	- Circle Conversations - Employee representative forums - Town Halls and Let's Talk Live	Provides rich, first-hand insight into sentiment, surfaces collective workplace concerns and enables two-way leadership dialogue at scale.
TARGETED ON-SITE DIAGNOSTICS	- Shopfloor engagement framework and audits - Pulse surveys	Identifies site-specific inclusion gaps, informs practical operational interventions and provides continuous temperature checks.
ALWAYS-ON FEEDBACK CHANNELS	- Let's Talk mobile app - Hayibo tip-off hotline	Scales employee voice across a geographically dispersed workforce and ensures psychological safety through protected, confidential reporting.
OUTCOME-BASED INDICATORS	- YouMatter Employee Wellness Programme - Exit interview insights	Tracks employee wellbeing trends, measures trust in support systems and identifies systemic issues impacting retention.

PEOPLE FIRST continued

STRATEGIC ENABLER 1: Champion diversity and build an inclusive culture continued

2026 DIVERSITY AND INCLUSIVITY HIGHLIGHTS

Driving intentional transformation at management level through recruitment and employment equity

Through targeted recruitment and succession interventions, management-level employment equity representation rose to 68.2% in 2026 (2025: 66.2%), with ACI representation reaching 50.1% (2025: 47.3%). Female ACI representation rose to 21.1% (2025: 19.8%).

Building a representative talent pipeline

The management trainee programme maintained 93% ACI representation over the past three years, demonstrating strong alignment with transformation objectives and sustained progress in building an inclusive and representative pipeline of future leaders.

Expanding access to future talent pathways

The launch of the Commercial Rising Star Programme reflects a deliberate focus on creating equitable access to development pathways and on supporting diverse talent to progress into critical commercial and leadership roles.

Leading inclusive talent conversations

By hosting the LinkedIn Talent Summit Africa, RCL FOODS contributed to shaping inclusive talent strategies at a regional level, focusing on how organisations build equitable skills, support evolving careers, and place people at the centre of workplace transformation.

Receiving recognition for female empowerment

RCL FOODS was recognised at the 13th Africa and Middle East Gender Mainstreaming Awards, winning Empowerment of Women in the Community and being named a finalist for Women Empowerment in the Workplace. The Group was also named runner-up at the AgriSETA Stakeholder Excellence Awards for Women Empowerment through Skills Development.

Empowering women through capability development

Approximately 400 women participated in the Women Empowerment Series, which focused on wellbeing to foster inclusive growth.

Promoting inclusive skills development and learnerships

A total of 165 learners graduated across the Group, completing accredited programmes in business administration, management, sales, marketing and supply chain. These initiatives expand access to accredited learning, enabling equitable career progression opportunities across the workforce.

Driving awareness and inclusion on gender-based violence

During the 16 Days of Activism campaign, employees across sites engaged in dialogue and awareness initiatives on gender-based violence. This work reinforces psychological safety, inclusion and the Group's role in fostering respectful and supportive workplace environments.

Enhancing female empowerment

Across initiatives such as the Women Empowerment Series, learnerships and leadership programmes, RCL FOODS is enabling women to build capability, confidence and career mobility. These interventions collectively strengthen inclusion, unlock potential and support more equitable participation across all levels of the business.

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PEOPLE FIRST continued

STRATEGIC ENABLER 1: Champion diversity and build an inclusive culture continued

OUR 2025 B-BBEE CONTRIBUTION

At RCL FOODS, transformation is vital for long-term sustainability. Fully supporting Government B-BBEE codes to drive inclusive growth and nation building, we regularly reassess our strategy to ensure it remains intentional and priority-driven. Consequently, we have maintained our Level 3 B-BBEE contributor status for a second consecutive year.

During the year, organisational changes required careful prioritisation to ensure diversity and inclusion efforts maintained momentum alongside immediate operational priorities. Additionally, the representation of people living with disabilities remained unchanged at approximately 1%, below the amended Employment Equity Act target, which increased from 2% to 3%. This highlights an immediate need to strengthen outreach, targeted recruitment and workplace accommodation efforts. Disability inclusion is part of our wider transformation agenda, rather than a standalone intervention.

In the year ahead, our focus will be on deepening inclusion across the employee lifecycle, strengthening leadership capability and improving the consistency of employee experience across all operating units. We will also prioritise measurable outcomes to ensure that our diversity and inclusion efforts translate into meaningful and sustainable impact.

Elements	Available points	2025 score	2024 score	Year-on-year change
Ownership*	25	21.28	21.98	0.7 down
Management control	19	9.29	7.79	1.5% up
Skills development	20 + 5	11.74	13.44	1.7% down
Preferential procurement	25 + 2	18.59	19.73	1.14 down
Supplier development	10 + 1	9.54	10	0.46 down
Enterprise development	5 + 1	5	5	N/A
Socioeconomic development	15	15	15	N/A
Total	119 + 9	90.44	92.94	2.5 down
B-BBEE level		3	3	No change
Participation in YES Programme recognised		No	No	N/A
B-BBEE status level		3	3	No change
Discounting applied		No	No	N/A
Final B-BBEE level**		3	3	No change
BEE procurement recognition level		110%	110%	No change
Black ownership		21.99%	22.92%	0.93% down
Black female ownership		11.45%	11.77%	0.32% down
Empowering supplier status		Yes	Yes	N/A

* Our ownership score is largely determined by black ownership at the level of our majority shareholder, Remgro Limited.

** The Sugar business has a final B-BBEE level of 1 for 2025.

Based on our 2025 B-BBEE assessment, the Group achieved full scores in enterprise and socioeconomic development, driven by the DO MORE FOUNDATION and our commitment to localisation and executing our Preferential Procurement Strategy. Targeted skills training and local supplier strategies in Nkomazi and the Western Cape further anchored community empowerment.

We prioritised employment equity by developing a 2030 Employment Equity Plan that embeds targets across recruitment, succession management and talent mapping. Hiring processes are standardised through an inclusive framework that requires documented justification when appointments fail to meet goals. Furthermore, promotions align with regulatory requirements, reinforcing executive accountability. This approach transitions employment equity from compliance to a leadership priority, focusing on building a sustainable pipeline to translate mid-level progress into senior leadership roles.



PEOPLE FIRST continued

STRATEGIC ENABLER 1: Champion diversity and build an inclusive culture continued

OUR HIGH-PERFORMANCE CULTURE

In 2026, we accelerated our high-performance culture by prioritising talent management, ensuring our strongest talent is aligned with our highest-value work, supported by leadership changes that have strengthened capability across the business. Guided by inclusive leadership, ethical practices and performance-driven incentives, we made good progress in strengthening our workforce.

To this end, we introduced a high-performance culture playbook and knowledge hub to guide leadership in fostering high-performance behaviours at RCL FOODS. Leaders leverage the playbook to execute fit-for-purpose actions, communicate expectations and maintain strong discipline around core job responsibilities. Supported by a culture baseline survey, this initiative enables leadership to embed compliance, elevate performance management discipline and drive sustainable high-performance behaviours across the Group.

LABOUR PRACTICES AND REMUNERATION

Employee financial wellbeing remains a priority for the Group. Through earned wage access tools, budgeting support and financial education programmes, we provide practical resources that help employees build financial resilience in a challenging economic environment. These interventions form part of our broader commitment to dignity, wellbeing and long-term financial health in the workplace.

By introducing structured quarterly conversations, clearer goal setting and a focus on coaching, we have significantly strengthened performance management. Supported by fully embedded short-term incentive schemes – including one for non-management employees – and long-term incentive schemes for management, these practices drive accountability and ensure a direct connection between performance and reward, helping us build a results-driven, future-fit organisation.

Guided by the RCL FOODS Remuneration Committee, our remuneration approach combines analytics, external benchmarking and strong governance to keep employee reward fair, responsible, market competitive and aligned with performance and our values in action. We recognise that pay equity requires ongoing measurement, oversight and refinement.

Fairness and equity remain central to our remuneration philosophy. Following a comprehensive pay equity assessment undertaken with PwC, we continued to strengthen governance and oversight of remuneration fairness across the business. We provide annual pay equity reporting to the Remuneration Committee and monitor relevant remuneration indicators. This supports transparency, informed decision-making and early intervention where potential disparities emerge.



Refer to our Remuneration Report on page 117 for more information on our remuneration philosophy, policy and implementation.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

We are committed to fair, transparent and legally compliant labour practices, fully upholding our employees' rights to freedom of association and collective bargaining under the Labour Relations Act. To support this, recognised trade unions are afforded organisational rights, and we maintain a constructive, collaborative and open approach to all employee and union engagement.

In 2026, 69% of employees were part of site-based bargaining units, where wages and working conditions are negotiated. All employees within the bargaining scope benefit from the outcomes of collective agreements.

Recognition agreements continue to provide a structured framework for engagement with recognised trade unions, supporting orderly collective bargaining and effective consultation. These agreements have promoted constructive labour relations, clarified organisational rights and bargaining agreements, and contributed to a stable, collaborative environment for employee relations.

Stability across sites is underpinned by strong relationships with recognised unions, well-established communication and consultation platforms, and a proactive approach to resolving workplace matters.

Multi-year collective agreements remain in place across most business units, supporting labour stability and business continuity.

During the year, the Sugar business unit launched its first **Business Understanding Programme**, a training initiative designed to deepen employees' understanding of the business and their role in its success. Facilitated by members of the management team and delivered through interactive, small-group sessions, the programme creates opportunities for employees to engage directly with business priorities, performance drivers and operational realities. By strengthening business acumen, accountability and alignment across the workforce, the programme supports a more informed, engaged and high-performing culture.



PEOPLE FIRST continued

STRATEGIC ENABLER 1: Champion diversity and build an inclusive culture continued

EMPLOYEE AND CONTRACTOR WELLBEING

RCL FOODS prioritises creating a workplace where employees can work safely, while also promoting their mental wellbeing.

HEALTH AND SAFETY

Our occupational, health and safety framework promotes employee wellbeing through structured risk management, continuous awareness and organisational accountability.

The Group continued to implement operational safety training across its operations, reinforcing safe work practices, regulatory compliance and operational discipline. Training programmes are tailored to site-specific operational needs and job requirements and include legislative, hazard management, task-specific and emergency and incident management training.

During 2026, we updated our Life Saving Behaviours to align with operational risks and workplace practices. This revision strengthens critical risk management, proactive hazard identification and responsible decision-making. We implement awareness campaigns and safe behaviour observation reporting, which identify unsafe conditions early, encourage participation and drive preventative action. The Harassment Policy was broadened beyond sexual harassment and is supported by an awareness campaign across all sites.

We successfully deployed the electronic SHERQ platform, standardising information and improving performance visibility across the Group. The system enables effective decision-making, strengthens compliance monitoring and will enhance reporting accuracy in the near future.

In the Sugar business unit, all operational areas are audited by the National Occupational Safety Association (NOSA), with most sites achieving a four-star rating, indicating a mature safety, health and environmental management system with structured leadership, worker participation, compliance management, risk controls and continual improvement processes in place. Our focus remains on strengthening critical control management processes and enhancing the effectiveness of key risk controls in line with NOSA requirements.

Our Pieman's and Speciality operating units and Groceries business unit are audited by the South African Bureau of Standards and currently enforce a no-cellphone policy within their operations. The Beverages business, which forms part of the Groceries business unit, will formally implement the policy in 2027. To further strengthen operational controls and promote a safer, more focused working environment, a similar policy will be implemented across the Sugar operations.

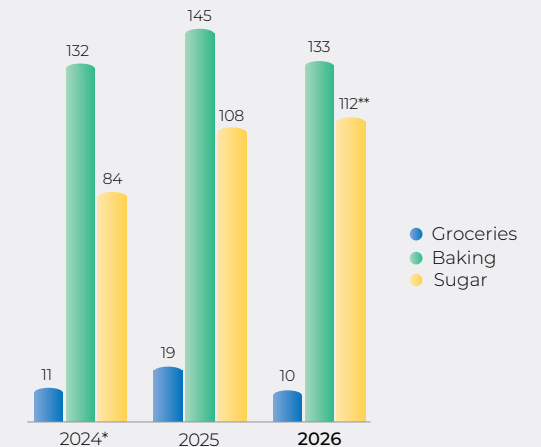


To support contractor safety management and alignment with our occupational, health and safety standards, we continued to focus on contractor onboarding, compliance monitoring and risk management. This included contractor induction programmes, strengthening the verification of legal and safety compliance requirements and improving oversight of high-risk activities across sites. Contractors were also integrated into site-specific safety systems, including adherence to incident reporting protocols and critical risk controls. Contractor performance and compliance were assessed through audits, inspections and engagement sessions to promote accountability, collaboration and continuous improvement.

In 2026, the Group achieved a decreased lost-time injury frequency rate of 1.01 (2025: 1.33) and a lower total recordable injury frequency rate of 2.39 (2025: 2.61). Proactive safety interventions, hazard-specific training, safer routing and incident reduction initiatives drove these improvements.

Employee recordable injuries are reported by business unit, while the Group safety target is measured using the disabling injury frequency rate, with a benchmark of 1.0.

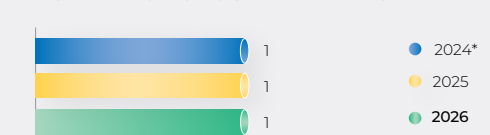
NUMBER OF INJURIES PER BUSINESS UNIT



- * 2024 figures include data from Rainbow Farms, which was part of the consolidated safety performance metrics for that period.
- ** The increase in recorded incidents in Sugar for 2026 is largely attributable to environmental and animal-related factors outside the Group's direct control. Approximately 3 500 employees are exposed to variable workplace hazards, particularly within agricultural operations. In 2026, the Group recorded 12 animal-related incidents against an annual average of 4, the majority attributable to bee stings across both agricultural and industrial operations.

One work-related fatality was recorded in 2026 in Baking, where a driver-salesman was fatally shot during an attempted hijacking and robbery.

NUMBER OF GROUP FATALITIES



- * 2024 figures include data from Rainbow Farms, which was part of the consolidated safety performance metrics for that period.

PEOPLE FIRST continued

STRATEGIC ENABLER 1: Champion diversity and build an inclusive culture continued

MENTAL WELLBEING

In 2026, mental health and wellbeing remained central to our People First approach as we continued to build a workplace where people feel supported, safe and seen. In a year marked by complexity and change, we deliberately strengthened our focus on care, belonging and psychological safety, recognising that inclusive, high-performing cultures are built not only through policy but also through everyday experiences of support and respect.

A key enabler of this was the continued evolution of the YouMatter Employee Wellness Programme, which became a more integrated, data-informed wellbeing ecosystem. The programme moved from a standard support service to a fully integrated wellbeing ecosystem, available 24 hours a day, 365 days a year, to employees and their dependants, through a toll-free line, live chat, the Lyra Wellbeing Hub app and virtual or in-person counselling. Regular expert-led webinars, masterclasses and on-site wellness days also helped to normalise conversations around mental health, financial wellbeing and personal effectiveness, making support more visible, practical and accessible across the business.

Our approach to wellbeing focuses not only on support services, but also on creating spaces where people feel able to speak openly and seek help without stigma. Across the business, we introduced targeted initiatives that respond to the diverse lived experiences of our workforce, recognising that wellbeing is not one-size-fits-all.

Through our Women Empowerment Series, we created safe spaces for connection, confidence-building and holistic wellbeing, with a strong emphasis on mental, financial and relational resilience. In parallel, we piloted our men's empowerment masterclass initiative to address critical gaps. We actively challenge stigma and

encourage more open dialogue, reflection and help-seeking behaviour. In addition, the Sugar business unit hosted Khuluma Ndoda empowerment sessions for men, with more than 300 male employees attending. These interventions reinforced leadership messaging that speaking up is a sign of strength, not weakness, and that psychological safety is a shared responsibility.

At RCL FOODS, true inclusion means creating intentional spaces for diverse voices so that every employee, irrespective of their role or level, feels safe, seen and supported. During a challenging year, our leaders chose to lead with care, sending a clear message to our people that they belong and matter.



PEOPLE FIRST continued

STRATEGIC ENABLER 2: STRENGTHEN COMMUNITY RESILIENCE THROUGH COLLABORATION AND INVESTMENT

We collaborate proactively with communities to build local opportunities and strengthen resilience through meaningful relationships and investments, so that communities are better off because of our presence.

The following priorities drive our community sustainability approach:

ECONOMIC
DEVELOPMENT

Localising talent
through inclusive skills
development and
localised employment

**Localising our supply
chains** through
enterprise and supplier
development and a bias
for local procurement

SOCIAL
DEVELOPMENT

CSI through the DO
MORE FOUNDATION
and other community
development initiatives

**Fostering social
cohesion** through
local partnerships and
targeted investments

Underpinned by **community engagement** to understand community interests in our business, assess the impact of our operations and build meaningful dialogue around these issues



Refer to page 78 for more details on our community engagement during the year.



PEOPLE FIRST continued

STRATEGIC ENABLER 2: Strengthen community resilience through collaboration and investment continued

ECONOMIC DEVELOPMENT

At RCL FOODS, localisation is a core procurement principle that shifts spend closer to manufacturing sites within defined policies. This approach goes beyond cost efficiency; it stimulates local economies, empowers small emerging suppliers, creates jobs and builds resilient, low-impact supply chains. Integration into supplier selection criteria ensures community impact remains a formal consideration alongside cost, quality and service. In 2026, we completed the definition and policy framework for localisation, establishing a structured approach to guide implementation across the business.

RCL FOODS continues to create lasting change by partnering with communities to build capability, unlock opportunity and drive sustainable livelihoods, turning short-term support into long-term shared value.

Localisation has advanced significantly in the Sugar business unit, where stakeholder engagement is structured, embedded and continuously refined, supporting improved relationships, better local insight and reduced operational risk. Progress in our Baking and Groceries business units has been slower, with some sites showing early traction while others remain constrained by limited resourcing and competing operational demands.

1 426 local suppliers

supported through our
procurement process

2025: 1 439

By procuring sugarcane directly from local growers, our Sugar business unit has established a solid foundation for supply chain stability and community upliftment. In addition, effective stakeholder engagement has facilitated alignment on off-crop expectations, easing community friction over direct employment and small, medium and micro-enterprise opportunities.

OUR AKWANDZE JV AND SMALL-SCALE
GROWER IMPACT

LOAN BOOK ADMINISTRATION

R118 million total loan book managed by Akwandze

- **R83 million** allocated to 403 small-scale growers
- **R35 million** to land reform JVs

OPERATIONAL DELIVERY AND SCALE

- **577 654 tonnes** of sugarcane delivered to Malelane and Komati mills by small-scale growers
- **5 250 hectares** provided with bulk water services
- 9 000 hectares supported by a **R12,4 million RCL FOODS extension** service grant

CAPITAL AND SAVINGS MANAGEMENT

Over **R263 million** in retention savings to secure future farming operations and ensure commercial certainty for growers.

As our localisation initiatives mature, we expect to see longer-term benefits, including improved responsiveness and enhanced supply continuity, alongside increased economic support for local communities. We intend to drive economic activity closer to our operations or suppliers, especially in our rural communities, where unemployment remains a national challenge.

Rising Eskom costs continued to pressure small-scale growers, hindering their full participation in local supply chains. A shortage of skilled, compliant local suppliers near certain manufacturing sites remains a constraint to further localisation. These challenges highlight the importance of continued supplier development, stakeholder engagement and collaboration to strengthen local sourcing ecosystems over time.



Collaborating with the Local Economic Development forum in Nkomazi, we continue to drive agricultural sustainability and youth development. We invested in youth development in Nkomazi through external bursaries, supporting nine agricultural students and three engineering students across the electrical, mechanical and chemical disciplines.

We also continue to support the next generation of bakers through the Siyabhaka Academy Learnership Programme. This year, 17 learners joined the programme to complete a Production Operator NQF 3 qualification. Five learners are based in KwaZulu-Natal and 12 in Gauteng, each receiving practical exposure inside large-scale baking operations while working alongside experienced industry professionals.

We supported local employment by offering off-crop job opportunities in Sugar and by targeting recruitment at the Tzaneen and Molteno bakeries and the Randfontein site. We also expanded access to training and employment pathways through SETA-funded learnerships, internships and apprenticeships across our Groceries and Sugar business units. These included 10 learnerships, nine internships, and 18 apprenticeships focused on scarce skills such as engineering and SHERQ.

Looking ahead, we will focus on intentionally scaling our economic development impact. Our stakeholder engagement will aim to deepen community self-sufficiency and empowerment and foster stronger collaborative relationships.



Read more about our responsible sourcing approach on page 102.

PEOPLE FIRST continued

STRATEGIC ENABLER 2: Strengthen community resilience through collaboration and investment continued

SOCIAL DEVELOPMENT

Our CSI approach is evolving from isolated interventions to creating connected systems. Through the DO MORE FOUNDATION, our independent non-profit foundation, the Group's role as the backbone of the programme has been firmly cemented, convening, connecting and enabling local partners to drive shared outcomes and foster long-term community resilience.

The DO MORE FOUNDATION provides RCL FOODS with a distinct competitive advantage through its embedded, systems-level approach to ECD. While operating autonomously, it aligns directly with our purpose by integrating nutrition, early learning, parenting support and child protection through broad multi-stakeholder partnerships, including a Memorandum of Understanding with the Department of Basic Education. This model positions us as a steward of systemic change, delivering measurable, evidence-based community impact that strengthens employee engagement and stakeholder trust.

While we established impact in priority areas in previous years, in 2026, we strengthened the foundations of our CSI initiatives to ensure long-term sustainability. Our focus has shifted to deepening our basket of services to reach more children in our communities, building a replicable, high-quality model that is future fit. To achieve this, we are standardising core nutrition and early learning tools, strengthening governance structures and investing in data systems, such as AI-enabled monitoring, evaluation and learning approaches, to track community needs. By deepening partner readiness, we are establishing local capacity and long-term ownership.

We want communities to be stronger and more prosperous, not just through our investments, but because we are enabling them to be more resilient.

In 2026, the DO MORE FOUNDATION made significant progress and received recognition for our “Everyone Gets to PLAY” model, which integrates nutrition, early learning, parenting support and child protection. Following a 2025 Memorandum of Understanding with the Department of Basic Education, the Trialogue Business in Society publication featured the model as a premier case study for system-level impact.

Combating malnutrition and ensuring food security remain the foundation's primary focuses. Through the World Food Day campaign, we delivered millions of meals nationally, in partnership with KFC Add Hope and Pepkor. Our Mandela Day Climate Resilience Campaign focused on building climate-resilient ECD centres. Through the campaign, we upgraded under-resourced centres to protect children from heatwaves, droughts and floods, including shade infrastructure, water-harvesting solutions, solar-powered equipment and learning materials to 60 ECD centres.

The foundation's nutrition support programme primarily focuses on its fortified DO MORE Porridge that seeks to address nutrition gaps for young children in South Africa's ECD centres. By providing daily, nutrient-rich breakfasts aligned with national guidelines, it supports healthy growth, learning and development. During the year, the programme reached 34 142 children on school days each month by providing over R6 million worth of DO MORE Porridge meals to ECD programmes.

The Sugar business unit continues to build social cohesion and strengthen community resilience through ongoing support for the Selati Cup, the Selati marathon, local mountain biking races and regional sports clubs. Complementing this social investment, the Star Schools Programme, in partnership with AgriSETA, selected 120 top learners from Nkomazi schools to receive additional Saturday tuition in English, mathematics, physical science and agricultural science. Guided by a group of dedicated teachers, the initiative equips participants in Grades 10, 11 and 12 to pursue competitive tertiary studies. High achievers from the programme regularly qualify for university degrees in demanding fields such as medicine, engineering and accounting.

Despite navigating systemic challenges while balancing immediate community needs with long-term goals, the foundation managed critical trade-offs between expanding reach and maintaining impact in the resource-constrained environments in which we work.

Looking ahead, we will continue to align with and support local stakeholders, including through sustainable porridge distribution to more ECD centres and strengthening community communication channels. Key priorities include connecting nutrition, early learning and healthcare into integrated service packages, alongside scaling proven initiatives through deeper partnerships. Additionally, the foundation seeks to uplift the ECD workforce, transform centres into community opportunity hubs and enhance data systems to track long-term impact.



Read more about our social development through the DO MORE FOUNDATION online
<https://domore.org.za>

R9,6 million

invested in **social development** through the DO MORE FOUNDATION*

2025: R10,5 million

34 142 children

at 1 135 ECD centres received **vital daily nutritional support** through the DO MORE Porridge*

2025: 34 725 children at 1 429 ECD centres

R1,8 million

invested in **supporting promising high school learners** through our Star Schools Programme in Nkomazi

2025: R1,6 million

* The decline in investment reflects affordability constraints amid lower EBITDA year on year. Conversely, the Group's partnership model enabled it to reach more children and ECD centres through porridge donations than in the prior year.



PEOPLE FIRST continued

STRATEGIC ENABLER 3: INVEST IN STRATEGIC CAPABILITIES TO DRIVE COMPETITIVE ADVANTAGE

In 2026, we assessed our strategic capabilities to identify any gaps needed to achieve our long-term strategic ambitions.

Developed **12** high-potential young leaders through our **Emerging Leaders Development Programme** at the Nelson Mandela University, with 81 graduates since inception in 2017

2 170 learners attended the Business Understanding Programme at Sugar

Empowered **424** women in leadership through various **women empowerment initiatives**

Onboarded **42** graduates through our flagship **Management Trainee Programme**

Upskilled **65** employees through **Circle Conversations capability sessions and facilitator training**

19 bakers graduated from the **Siyabhaka Academy**, with **86** graduates to date

Building on the steering committee and roadmap established in 2025, we bolstered artisan skills and competencies. While this remains an ongoing focus area, the initiative has successfully narrowed the skills gap that has emerged over the last two years.

Across the business, we invested R48,1 million to train 7 002 employees (2025: R49,5 million, 7 243 employees), with a strong focus on employment equity and ACI female leadership development. Flagship programmes such as the Emerging Leaders Development Programme, our Management Trainee Programme and the Siyabhaka Academy are helping us build future-ready teams while creating opportunities for industry-relevant employment.

Complementing our investment in people, we deepened our technological and innovation capabilities to enable long-term sustainable growth. The destination and implementation plan for the human resources platform have been set, with the first wave of self-service functionality planned for deployment in 2027. Focus and disciplined execution have enabled the seamless separation of shared service ecosystems, as well as enhancements to disaster recovery and cyber resilience for enterprise systems. We also expanded our research and development, consumer insights and marketing analytics capacity to support innovation and portfolio optimisation.

As an insights-led organisation, we continue to drive our progress by sharpening digital capabilities through

focused training and peer-to-peer learning within our data community. We accelerated digital capability development by scaling the LearnTech platform to create a unified system for critical skills development, regulatory compliance and employee onboarding. This foundational learning was supported by extending the Copilot Pioneers Programme through virtual training and executive masterclasses, building practical AI fluency and enhancing output quality and efficiency. Simultaneously, we strengthened data literacy through targeted analytics courses. Frontline inclusion and engagement were enabled by connecting and upskilling teams across more than 650 daily distribution routes through mobile digitisation, ensuring consistent ways of working. Finally, we automated transactional processes across customer management and accounts payable to eliminate manual effort and free-up capacity for higher-value, customer-centric activities.

To drive our competitive advantage, we established the Neural Network cross-functional team to accelerate the number and quality of AI use cases identified across the Group. This team has developed a deeper understanding of the capabilities, limitations and opportunities that AI brings, improving the health of the pipeline. We also strengthened our strategic capability through mandatory, embedded skills transfer from implementation partners during projects, with focused investment in data engineering and AI skill sets to create enduring, in-house capability beyond initial implementation.

LOOKING AHEAD

OUR 2027 STRATEGIC PRIORITIES

- Continuing to advance our diversity and inclusion strategy and implement key talent to value mapping changes
- Unlocking our non-management short-term employee incentive programme to step change our continuous improvement delivery
- Drive our high-performance culture by implementing our leadership playbook across the Group
- Investing in route-to-market, digital and AI capabilities, alongside manufacturing and operational excellence

EXPECTED OUTCOMES

- To build a sustainable pipeline of diverse talent
- Delivering additional earnings to operational employees drives productivity and efficiency, supporting our goal of building a net positive business
- Unlocking a healthy values-in-action culture as a key enabler of business performance
- A skilled and capable workforce will strengthen our competitiveness



RIGHT GROWTH

By growing our business and improving its returns, we aim to generate the fuel to fund enduring positive impact for all our stakeholders. We will drive growth through strong brands, strategic partnerships and acquisitions and faster, more relevant innovation that is good for our consumers and the planet. Through this, we aim to support the delivery of food security and affordable nutrition.

OUR BOARD'S COMMITMENT

The Board evaluates, approves and monitors investment to drive growth across RCL FOODS' trusted brands. It provides governance oversight of balanced capital allocation, positioning the Group to capture sustainable market share and create long-term stakeholder value.

RIGHT GROWTH IN FOCUS

Our strategic enablers

Leverage partnerships and acquisitions for growth

Page 83

Grow organically through strong, trusted brands

Page 84

Expand into emerging markets and strategic partnerships

Page 90

Use consumer insights and partner with strategic customers

Page 91

Our sustainability focus areas and 2050 ambitions

FOOD SECURITY

We support food security through product offerings (trusted staples and nutritious offerings), education initiatives, advocacy and collaboration



CAPITALS EMPLOYED



RELATED STAKEHOLDERS



2026 GROUP HIGHLIGHTS

Pieman's Pockets was successfully launched, demonstrating strong consumer uptake and the value of cross-functional, insight-led innovation

Sunbake Sourdough built momentum, supported by wider distribution and the introduction of a buns range extension, thereby enhancing the brand's reach and relevance

We entered into a binding agreement to **acquire Martin & Martin***, which will diversify our pet offering into fast-growing wet food, biscuits, treats and pet care

Brand health metrics improved across key brands, reflecting sustained investment and a consistent focus on brand building

2026 BUSINESS UNIT HIGHLIGHTS

GROCERIES

- Culinary remained resilient, delivering pleasing results, with brand equity reaching its strongest level to date
- Beverages delivered an improved result despite lower volumes
- Pet Food benefited from cross-business collaboration to support recovery efforts despite the product recalls

BAKING

- Supported by a focus on cost efficiency and future growth opportunities from innovation initiatives, delivered a solid performance despite lower-than-forecast demand
- Pieman's delivered improved profitability driven by strong manufacturing and continuous improvement savings
- Speciality delivered pleasing results, despite lower volumes, supported by operational efficiencies and growth into new categories

SUGAR

- Agricultural operations delivered a substantially improved performance, with a sustained focus on improved farming practices driving higher yields
- Sugar mills delivered strong operational performances, following a well-managed off-crop period
- Expanded refined sugar export sales within SADC through strengthened partnerships with specialised sugar traders
- Secured waste declassification approvals, creating opportunities for waste commercialisation and circularity initiatives from 2027

WE ENHANCE OUR BRANDS' COMPETITIVENESS THROUGH CONTINUOUS IMPROVEMENT AND NRM

Continuous improvement

Strive to be operationally best in class by generating a continuous pipeline of opportunities that will offset the impact of cost inflation

Net revenue management (NRM)

Ensure the right products are available at the right places and times, at the right prices, while optimising promotions and managing trade spend to drive profitable and sustainable revenue growth



Read more about how we are delivering cost efficiencies and investing to become best in class on page 92.



* Subject to Competition Authorities approval.

RIGHT GROWTH continued

STRATEGIC ENABLER 1: LEVERAGE OUR PARTNERSHIPS AND ACQUISITIONS FOR GROWTH

By purposefully reshaping our platform through strategic acquisitions and long-term partnership considerations, we continue to strengthen our portfolio in line with our growth strategy. This allows us to scale efficiently, capture new category opportunities and drive sustainable value.

In 2026, RCL FOODS signed a binding agreement to acquire Martin & Martin, subject to Competition Authorities approval. Martin & Martin produces and sells a portfolio of pet food and pet care products, including wet dog and cat food, biscuits, treats and pet care items marketed under well-known and trusted brands such as Husky, Pamper, Beeno and Bob Martin.

This agreement represents a significant step in expanding RCL FOODS' currently limited participation in the wet pet food and pet care categories. The pet food sector continues to present an attractive growth opportunity, supported by strong consumer trends such as the humanisation of pets and a growing community of pet parents who are increasingly focused on improving the quality and longevity of their pets' lives.

Our community-based sugarcane grower model and JV farms contribute to improved supply resilience and inclusive economic participation. The Sugar business unit focuses on expanding the cane supply to our mills by supporting Nkomazi farmers to increase cultivation areas, driving vertical growth in our own farming and assisting small-scale growers to improve yields. This

supply-side growth is heavily enabled by strategic partnerships that simultaneously secure the supply chain and drive community development. Through the Akwandze Cooperative, we provide small-scale growers with production loans and essential bulk water infrastructure. Additionally, we collaborate with three community trusts to jointly farm land, develop local talent and procure community services, actively fostering regional enterprise development. To secure these initiatives, we successfully restructured funding for these three JVs and extended our farming leases during the year, creating the operational stability required for long-term capital expenditure investments.

Through our stake in LIVEKINDLY Collective Africa, we remain active in shaping the plant-based food category – bringing together consumer education, market development and brand building.

Looking ahead, we will maintain a focused and measured approach to mergers and acquisitions. We will continue to explore right-fit, bolt-on opportunities to harness brand equity, route-to-market capabilities and supply chain infrastructure to maximise value.



For more information on the Sugar business unit's JV partnerships, see page 83.



RIGHT GROWTH continued

STRATEGIC ENABLER 2: GROW ORGANICALLY THROUGH STRONG, TRUSTED BRANDS

We aim to deliver sustainable value by building trusted food brands that resonate with consumers and lead in their categories.

RCL FOODS' underlying EBITDA declined by R205,6 million (8.6%) during the year, driven primarily by headwinds in our Sugar and Pet Food operations. Despite the challenges faced in 2026, we remained aligned with our strategy to shape a better-balanced, more branded business and maintained an unrelenting focus on the factors within our control.



For more detail on Group performance, refer to the CFO's report from page 59.

Our Bread premiumisation strategy gained momentum, with Sunbake's Sourdough range achieving widespread market and retailer adoption. The range is now available in nearly 1 200 stores, double our original target.

In March 2026, Pieman's Pockets successfully launched our frozen convenience offering. The product gained strong traction during the two-month exclusivity period at Shoprite and has continued to build momentum across Pick n Pay and SPAR. Strong demand has supported the introduction of a second plant shift.

In Culinary, we are defending category leadership, maintaining pricing discipline within strategic pricing guardrails and improving brand equity to build long-term pricing power. Consequently, brand equity strengthened meaningfully in 2026, reaching its highest level to date. These portfolio-wide gains reflect sustained investment, consistent messaging and superior execution of mental and physical availability, making our brands more accessible and top-of-mind for consumers.

Production challenges delayed our Pet Food growth rollout plans. However, we continue to refine our long-term Pet Food strategy alongside and independent of the Martin & Martin agreement.

We adapted Molatek's production plans in response to shifting seasons and changing climatic conditions, ensuring it manufactures products tailored to farmers' needs based on grazing availability, market pricing, and animal life stage.

DRIVING RESILIENCE AMID VOLATILE SUGAR MARKET DYNAMICS

The South African sugar sector continued to face a challenging operating environment, shaped by an ineffective tariff that enabled high volumes of imports and a substantial global trade surplus that depressed world sugar prices. Cheaper imports displaced higher volumes of domestic sugar onto the lower-priced export market, putting pressure on margins. Late summer rains in April and May disrupted cane supply to the Nkomazi mills and reduced crushing volumes during that period.

Despite these headwinds, the Sugar business delivered a good operational result, underpinned by improved agricultural and manufacturing performances. Molatek delivered another good result driven by an improved sales mix, together with production and continuous improvement efficiencies which was partially offset by lower volumes (down 8.3%), largely due to the foot-and-mouth disease outbreak.

IMPLEMENTING PROACTIVE STRATEGIC CONTROLS

Our response focuses on strengthening resilience through operational excellence, disciplined cost control and structured capital allocation. We are protecting margins by leveraging NRM, continuous improvements and production efficiencies. Furthermore, we continue to invest selectively in targeted sustainability and operational initiatives designed to improve energy efficiency, manufacturing performance and agricultural productivity.

Looking ahead, the focus remains on building optionality, improving operational resilience and positioning the business to respond appropriately as external conditions evolve.

OUTLOOK

The longer-term outlook for Sugar is underpinned by a continued focus on mill performance, agricultural productivity, disciplined cost control and a more balanced sales mix. While Tongaat Hullet's withdrawal from provisional liquidation has preserved regional supply chain stability, the operating environment remains uncertain. In August 2026, a revised dollar-based reference price for sugar was implemented, which is expected to reduce the influx of subsidised deep-sea imports and support a better balance between local-market and export sales into the new season. Against this backdrop, delivery on our strategic priorities is expected to support a more resilient performance base and enable value capture as market conditions stabilise.



Read more about how RCL FOODS is navigating trade policies and regulatory volatility on page 25.

We will continue to invest in our brands through disciplined resource allocation and evidence-based decision-making. Consumer and shopper insights will guide portfolio choices, brand positioning and marketing execution, helping us strengthen relevance and engagement across key audiences. In 2027, our innovation and commercial activity will remain focused on priority growth opportunities across the portfolio, supported by targeted marketing investment and continued discipline in resource deployment.



RIGHT GROWTH continued

STRATEGIC ENABLER 2: Grow organically through strong, trusted brands continued

PERFORMANCE BY OUR BUSINESS UNITS

GROCERIES		
Revenue R5 238,2 million ▼ 3.2% 2025: R5 410,0 million EBITDA R465,5 million ▼ 26.1% 2025: R630,2 million EBITDA margin 8.9% ▼ 2.7 ppts 2025: 11.6% Underlying EBITDA R477,5 million ▼ 19.4% 2025: R592,2 million Underlying EBITDA margin 9.1% ▼ 1.8 ppts 2025: 10.9%		
Encouraging performances from Culinary and Beverages were hampered by production disruptions at our dry pet food plant, which constrained Pet Food supply and sales.		
CULINARY	PET FOOD	BEVERAGES
2026 KEY PRIORITIES		
Protecting market share and brand equity of core brands.	- Diversifying our pet food offering by entering into a binding agreement to acquire Martin & Martin* - Gaining momentum in growing Pet Food into more profitable channels and brands	Optimising the profitability of the sales mix, continuous cost savings improvements and ongoing operational efficiencies.
VOLUME TREND		
Groceries volumes softened across the operating units, impacted by heightened promotional pricing pressures in Culinary and temporary food-safety-related production disruptions in Pet Food. Though Beverages achieved positive growth, it was insufficient to offset broader headwinds.		
CHALLENGES		
Peanut butter faced volume pressure from an influx of cheaper, duty-free imports. After year-end, the ITAC of South Africa recommended increasing the customs duty on imported peanut butter from 0.99c/kg to 20%, which will assist in levelling the playing field by supporting local sales volumes.	The Group voluntarily recalled dry pet food due to food-safety-related production disruptions at one of our Pet Food plants, limiting our ability to meet normal demand and constraining volume growth in the category.	While core volumes remained under pressure, the Number 1 Smooth range delivered good volume growth.
FUTURE FOCUS AREAS		
Our strong commitment to continuous improvement will support volume growth, while protecting margins.	We will focus on restoring customer confidence and market share, while continuing to progress the longer-term Pet Food growth strategy.	The focus remains on shifting the sales mix towards higher-growth lines, maintaining the pricing strategy in the core range and protecting margins through continued operational efficiencies.

* Acquisition subject to Competition Authorities approval.



RIGHT GROWTH continued

STRATEGIC ENABLER 2: Grow organically through strong, trusted brands continued

BAKING			
Baking delivered improved results amid a challenging trading environment.			
BREAD, BUNS AND ROLLS	SPECIALITY	MILLING	PIEMAN'S
2026 KEY PRIORITIES			
Growing value-added brands and restoring profitability.	Deepening collaboration with Woolworths to support sustainable strategic volume growth.	Improving production resilience and consistency.	Pivoting Pieman's into frozen convenience.
VOLUME TREND			
The overall business unit volumes remained constrained by broader consumer pressure and production challenges. However, it was countered by positive momentum in Sunbake volumes and solid growth in Pieman's, driven by product innovation.			
CHALLENGES			
Above-inflation fuel increases added to cost pressure, with margins protected through continuous improvements, savings and a disciplined pricing approach.	Muted demand and lower volumes, resulting in under-recovery of fixed manufacturing costs.	Downtime due to electricity disruptions at our plant impacted performance.	Headwinds included higher fuel expenses and elevated red meat prices resulting from the foot-and-mouth disease outbreak.
FUTURE FOCUS AREAS			
Focused investment in brand equity, innovation and quality credentials to strengthen the Bread, Buns and Rolls portfolio and support sustainable margin improvement.	Ongoing focus on operational excellence and innovation.	Regaining lost volumes, restoring a reliable and sustainable supply chain, pursuing innovation-driven growth opportunities and driving continuous cost improvements.	Building further capability in the frozen convenience category.

Revenue

R9 293,4 million

◀ 0.0%

2025: R9 297,6 million

EBITDA

R924,0 million

▲ 15.2%

2025: R802,4 million

EBITDA margin

9.9%

▲ 1.3 pts

2025: 8.6%

Underlying EBITDA

R922,4 million

▲ 15.3%

2025: R799,7 million

Underlying EBITDA margin

9.9%

▲ 1.3 pts

2025: 8.6%



RIGHT GROWTH continued

STRATEGIC ENABLER 2: Grow organically through strong, trusted brands continued

SUGAR	
Sugar reported a lower result due to significant headwinds in the operating environment.	
SUGAR	MOLATEK
2026 KEY PRIORITIES	
Mitigating ineffective tariffs and lower international sugar prices.	Improving plant performance and reliability while delivering improved bag, block and high-margin bulk liquid molasses sales.
VOLUME TREND	
Sugar experienced downward volume pressure due to lower domestic sugar sales driven by an influx of deep-sea imports. Molatek's performance was similarly constrained by lower maize prices and market disruptions due to the foot-and-mouth disease outbreak.	
CHALLENGES	
The South African sugar industry came under pressure due to the high volume of imports. Read more on pages 25 and 50.	Higher input costs, global supply chain disruptions and the widespread operational impacts of the foot-and-mouth disease outbreak.
FUTURE FOCUS AREAS	
Building on the operational and agricultural momentum, supported by a promising crop for the coming season, optimising energy sources and minimising sugar losses.	Navigating anticipated market headwinds by managing pricing to support farming clients through sector-related financial strain.

Revenue
R9 887,5 million

▼ 8.2%
2025: R10 765,4 million*

EBITDA
R754,6 million

▼ 31.0%
2025: R1 094,4 million

EBITDA margin
7.6%

▼ 2.6 pts
2025: 10.2%

Underlying EBITDA
R754,6 million

▼ 21.6%
2025: R963,1 million

Underlying EBITDA margin
7.6%

▼ 1.3 pts
2025: 8.9%*

* Revenue from continuing operations for the prior year was restated for a reclassification between revenue and cost and sales. The prior year margins have been adjusted accordingly. Refer to note 34 in the Annual Financial Statements for further details.

RIGHT GROWTH continued

STRATEGIC ENABLER 2: Grow organically through strong, trusted brands continued

RESPONSIBLE FOOD PROVISION

Responsible food provision sits at the heart of our purpose: **We Grow What Matters**. As one of South Africa's leading food manufacturers, we recognise that creating long-term value depends on providing food that is safe, nutritious, affordable and accessible, while strengthening the resilience of the food system on which our consumers, customers and communities depend. Our approach integrates responsible sourcing, operational excellence, product quality and social impact to help build a more inclusive and sustainable food future.

We support lives well lived by offering responsibly produced and sourced consumer goods that support food security and help make healthy and sustainable living a reality.



Refer to page 102 for our responsible sourcing initiatives.

FOOD SECURITY

In 2026, we continued to advance our long-term ambition to support food security and affordable nutrition by deepening our understanding of this priority and strengthening the foundations for future impact.

Food security exists when people have reliable access to sufficient, safe and nutritious food to support healthy, active lives.

In a country where many households continue to face affordability pressures, RCL FOODS contributes by large-scale production and distribution of safe, high-quality, and affordable food. In doing so, we help strengthen the availability, accessibility and stability of essential food supplies.

Our contribution extends beyond our products. Through responsible sourcing, efforts to reduce food loss and waste, investment in more sustainable operations, and community initiatives delivered through the DO MORE FOUNDATION, we support nutrition, ECD and healthier lifestyles. This includes directing product donations to vulnerable communities and supporting broader initiatives to alleviate hunger, combat malnutrition, and reduce food poverty.



Refer to page 78 for our social development initiatives, including how we work through the DO MORE FOUNDATION to combat malnutrition and help eradicate food poverty.



Refer to page 101 for our waste management initiatives.



RIGHT GROWTH continued

STRATEGIC ENABLER 2: Grow organically through strong, trusted brands continued

FOOD SAFETY AND QUALITY

Food safety and quality remain fundamental to responsible food provision, and ensuring the safety and quality of our products is a Group priority. We maintain a disciplined, risk-based approach to consistently meet and exceed regulatory and internal standards across all operations. Effective management of this risk is critical to sustaining consumer trust, delivering safe, high-quality products, safeguarding the Group's reputation and ensuring ongoing compliance.

Our Pet Food operating unit's performance was materially impacted by the detection of Salmonella in some of our dry pet food products during the year, which necessitated a nationwide product recall and led to production disruptions.

In response, we strengthened our food safety control framework by improving integration between environmental monitoring, process controls and preventative programmes. Enhancements included more sensitive and responsive environmental monitoring, stronger validation of process controls, particularly at critical control points, and expanded testing of products and raw materials. We also engaged multiple international food safety experts to independently review and strengthen our controls. In several instances, stock was withheld from distribution – even where testing had returned negative results – as an additional precautionary measure to ensure certainty of product safety. Improved hygiene, pest control, supplier assurance and personnel practices further strengthened contamination controls across the end-to-end process.

Together, these improvements have supported a more proactive, intelligence-led approach, strengthening Pet Foods' ability to identify, respond to and recover from food safety risks.

We remain committed to ensuring that all manufacturing processes adhere to stringent food safety and quality standards, including hygiene, cleaning and packaging protocols, to safeguard consumer health and maintain high nutritional value.

- To strengthen consumer protection during the year, we:
- Continued to invest in quality assurance, supplier collaboration, technology, equipment and continuous improvement programmes
 - Maintained robust end-to-end product quality systems and controls across operations
 - Applied a risk-based approach to food safety, supported by hazard analysis and critical control points and structured prerequisite programmes
 - Strengthened preventative controls through integrated hygiene and sanitation programmes, cross-contamination controls and routine pathogen monitoring across products and processing environments
 - Conducted regular internal and external audits involving SHERQ teams, internal audit, customers and certification bodies
 - Maintained and tested recall and withdrawal procedures to support a rapid response where required
 - Collaborated with suppliers, Government officials and subject matter experts to reinforce the role of partnership in delivering safe, high-quality food

Consumer trust, regulatory compliance and brand integrity are all anchored by our commitment to food safety and quality. All manufacturing sites operate under rigorous food safety protocols and are certified to the highest applicable standards, including FSSC 22000, ISO 22000 and ISO 9001.

Food safety is further embedded across operations through HACCP-based hazard identification and control, rigorous hygiene practices and proactive risk management processes. Regular audits ensure system integrity and drive improvement. Annual initiatives such as a SHERQ conference that incorporates multi-functional participation in sessions focused on lessons learnt and emerging risks reinforce our culture of excellence and shared responsibility.

Our business units implemented targeted initiatives in 2026 to enhance product quality and strengthen process control, aligned with continuous improvement objectives.

GROCERIES	BAKING	SUGAR
KEY INITIATIVES - Enhanced hygiene and sanitation verification - Environmental and product monitoring - Root cause action and equipment controls - Supplier and service provider oversight HIGH-LEVEL OUTCOME - Reduced microbiological and operational risk - Improved process stability and stronger preventative quality culture	KEY INITIATIVES - Maintenance validation - Line and cooling-system upgrades - Bread quality culture reset - Food safety governance for expansion projects HACCP and prerequisite programme enhancements in Milling HIGH-LEVEL OUTCOME - Improved product consistency - Reduced complaints - Stronger equipment reliability - Proactive quality ownership	KEY INITIATIVES - Hard sugar and icing sugar caking controls - Moisture, cooling, storage and packaging improvements - Supplier collaboration on split seams - Molatek moisture and storage controls HIGH-LEVEL OUTCOME - Reduced defect occurrence - Improved product stability - Enhanced consumer and customer experience

Collectively, these actions secure our social licence to operate and reinforce our role in creating a resilient, equitable food system that allows every South African to prosper.

RIGHT GROWTH continued

STRATEGIC ENABLER 3: EXPAND INTO EMERGING MARKETS AND STRATEGIC PARTNERSHIPS

We aim to grow our presence in new channels and geographies that align with shifting consumer behaviour, margin enhancement and strategic category expansion.

EXPANDING REACH THROUGH ROUTE-TO-MARKET OPTIMISATION

In 2026, Groceries executed a disciplined, phased expansion into emerging markets while maintaining core market growth. Backed by targeted research, refined route-to-market strategies and stronger distributor partnerships, this approach drove solid momentum and market share gains in key categories. Strategic collaboration, particularly through joint business planning and aligned execution with partners, remained a critical growth enabler.

However, progress was constrained by macroeconomic pressures, foreign exchange constraints, and a decline in export volumes due to weak consumer demand. Additionally, foot-and-mouth disease regulations and the availability of pet food to export caused supply disruptions in the Pet Food category.

Moving forward, the business is well positioned to scale. Future growth will depend on Pet Food recovery, entry into new markets and sustained performance across existing sectors.

Baking focused on accelerating profitable growth through stronger retailer partnerships, disciplined net revenue management, and improved use of customer and category insights. Key priorities

included deepening collaboration with key customers, executing NRM plans supporting sustainable price and volume recovery, leveraging promotional activity more effectively, and progressing targeted product reformulation and retail-ready innovation initiatives.

The Sugar business unit increased refined sugar export sales within SADC by expanding relationships with specialised sugar traders.

UNLOCKING VALUE IN ALTERNATIVE AND DIGITAL RETAIL CHANNELS

Digital innovation extended across Groceries and Baking, with targeted promotions and channel-specific packaging supported by our enhanced promotional effectiveness evaluation tool. Data from digital communities, combined with internal insights, were used to optimise pricing, track returns and improve retail execution.

We also laid further groundwork to scale our exports strategy. Demand mapping, customer onboarding and integrated supply planning have enabled deeper reach across the SADC region, where we see further upside potential.

Our long-term growth strategy for Pet Food involves launching speciality brands in other channels, such as pet shops and veterinary clinics, to gain market share.



Refer to page 24 for how we are investing in our people to deepen our technological and innovation capabilities.



RIGHT GROWTH continued

STRATEGIC ENABLER 4: USE CONSUMER INSIGHT AND PARTNER WITH STRATEGIC CUSTOMERS

Gaining deep insights into consumer behaviour and working closely with our customers remain fundamental to our growth strategy. We focus on delivering impactful, value-adding solutions across channels by combining market intelligence, data-driven decision-making and disciplined commercial execution.

Consumer and shopper insights are critical enablers of our growth strategy, strengthening decision-making, innovation and customer engagement across the portfolio. Immersion programmes provide insight into consumer needs, enabling more effective innovation development and testing. Research across brand positioning, quality benchmarking and creative testing provides a stronger evidence base for investment decisions in key categories.

Through enhanced digital capability and innovation, we transformed frontline execution, deepened data integration, and strengthened strategic customer partnerships by achieving the following:

- By enabling insight-led conversations, we advanced customer engagement and strategic partnerships through analytics-driven, persona-based reporting and modern retail frameworks with custom hierarchies
- Expanded the depth and relevance of customer insights by incorporating broader performance metrics, including customer stock-on-hand, to strengthen joint visibility and foster collaborative engagement

- Scaled external data integration across the ecosystem by extending point-of-sale data ingestion to additional strategic customers, including SPAR, Big Save, and Bidfood, to improve market visibility and demand accuracy
- Transformed frontline execution and general trade visibility through the rapid deployment of StoreIQ and Route Runner, establishing daily sales visibility across approximately 24 000 customers while unlocking rich insights into route economics and profitability

Strategic customer partnerships remain a priority, with a continued focus on unlocking joint value and sustainable growth opportunities.

Through our Food Partners offering, we collaborate with food service operators to deliver tailored, insight-led solutions that drive business growth. Combining market intelligence with culinary expertise, product innovation and operational support, Food Partners enables customers to create relevant, high-quality offerings. This strategy relies on a diverse portfolio of consistent products, meaningful innovation and targeted training initiatives. Programmes like the Siyabhaka Academy build skills, uplift the industry and foster long-term partnerships.



LOOKING AHEAD

OUR 2027 STRATEGIC PRIORITIES

- Continuing to grow our Culinary core operating unit and brand equity
- Growing Pet Food into more profitable brands and channels
- Boosting growth in frozen convenience, building on the successful Pieman's Pockets launch
- Disrupting the Bread market through our premiumisation strategy

EXPECTED OUTCOMES

- Strengthening Culinary core's ability to compete and grow profitably in an increasingly competitive environment
- A more balanced portfolio, bolstered by growth in Groceries and Baking
- Driving volume recovery in Pet Food while optimising operations, increasing efficiency and delivering cost savings
- Boosting margins through increased Bread and Milling volumes alongside improved Milling profitability

FUTURE FIT

We aim to create a future-fit business by delivering cost efficiencies and reinvesting to build a productive, resilient asset base. Alongside this, we will take credible action to address climate change and nature loss by targeting net-zero carbon emissions, nature-positive operations and a circular economy.



OUR BOARD'S COMMITMENT

The Board guides the Group's resilience as a future-fit business by approving and overseeing investments to drive cost efficiency and achieve best-in-class operations. Strategic initiatives to build a net positive business, ensuring long-term economic, social and environmental resilience, are approved and monitored. Governance oversight focuses on progress across the core 2050 sustainability ambitions, including climate action, responsible water stewardship, waste reduction, nature protection and responsible sourcing, to ensure corporate accountability.

In 2026, we continued to strengthen the capabilities, systems and insights that support a more resilient and efficient business while also advancing our environmental ambitions, including through a better understanding of our emissions profile and transition pathways. Together, these efforts strengthen long-term resilience and position the Group to create sustainable value.

FUTURE FIT IN FOCUS

Our strategic enablers

Drive cost efficiency and invest to become best in class

Page 93

Build a net positive business to secure our economic, social and environmental future

Page 94

Our sustainability focus areas and 2050 ambitions

CLIMATE ACTION

We are committed to doing our part to support a timely and just transition to a net-zero economy



RESPONSIBLE SOURCING

We are committed to responsible sourcing and will pursue transparent, traceable and ethical supply chains



WASTE FREE

We support the shift to an economy where food, process residuals and packaging never become waste



PROTECTING NATURE

We recognise the vital role of nature and the urgent need to protect and restore it; that's why we are committing to support healthy ecosystems and soil health in our operations



RESPONSIBLE WATER STEWARDSHIP

We are committed to being responsible stewards of water by seeking new ways to reuse, reduce and "create" water in our operations, and by collaborating with other users to protect water quality and water availability in the catchments where we operate



ACCOUNTABILITY

We know that collaboration is vital to our sustainability journey, which is why we are committed to being transparent about our progress and performance and sharing our lessons learned along the way



CAPITALS EMPLOYED



RELATED STAKEHOLDERS



2026 GROUP HIGHLIGHTS

Decreased Scope 1 and 2

emissions by 13%, from 551 309 tCO₂e in 2025 to 479 390 tCO₂e in 2026

88% **waste diverted from landfill** (2025: 88%)

Developed a **Responsible Sourcing Policy** and supplier engagement tools, establishing a foundation for future supplier-related risk management

Completed the extend phase of our **enterprise resource planning system roadmap**

Delivered more than R3,35 million in realised **annual savings through food waste reduction initiatives**

2026 BUSINESS UNIT HIGHLIGHTS

GROCERIES

- Achieved 2026 water reduction targets, supported by water efficiency improvements in Beverages that resulted in the business unit ending the year 1% ahead of target

BAKING

- Deepened site-level awareness and accountability across all locations, integrating resource efficiency into daily operations
- Maintained robust partnerships to enable sustainable delivery and prepare for green energy deployment
- Made good progress to identify and implement targeted initiatives aimed at reducing food waste across the business

SUGAR

- 8% reduction in coal usage per tonne of sugar due to operational improvements at Malelane and Pongola
- Expanded the deployment of soil moisture probes to increase agricultural visibility and prevent over-irrigation
- Increased drip irrigation coverage in the Cane Operations Division from 45% to 47% of irrigated cane area in 2026, advancing its long-term transition from less efficient irrigation technologies
- Concluded a successful Jobs Fund Project in March, on lending more than R50 million to small-scale growers for crop replanting and sustainable irrigation upgrades

FUTURE FIT continued

STRATEGIC ENABLER 1: DRIVE COST EFFICIENCY AND INVEST TO BECOME BEST IN CLASS

Growing a resilient Group requires continually enhancing our capacity to drive profitable, sustainable operations within a complex, cost-constrained market. Consequently, we maintain a firm commitment to safeguarding margins and enabling efficiencies through disciplined cost management and directing capital towards strategic enablers.

In 2026, we continued implementing our continuous improvement and NRM initiatives as long-term commercial capabilities, using them to protect margins and support sustainable growth in a highly competitive inflationary environment.

Our ROIC remains a key metric used by the Group to measure the efficiency and effectiveness of its capital allocation. In 2026, our underlying ROIC was 9%, down from 13% in 2025, primarily due to lower profitability and an increase in the invested capital base, reflecting higher inventory levels and continued capital expenditure despite weaker financial performance.

LEVERAGING PROCESS AUTOMATION AND DIGITAL TOOLS

Digital transformation continued to play a central role in delivering cost efficiencies and building the capabilities required to become best in class. During 2026, we enabled the extend phase of our enterprise resource planning system roadmap. We strengthened our transactional foundation by rolling out new costing, sales and warehouse-management capability, and began scaling our digital and AI capability around a portfolio of high-value-use cases to drive competitiveness, manage costs and accelerate innovation. These investments are replacing legacy systems, improving process control and creating a more scalable platform for efficient execution.

Process automation and digital tools are embedded across operations, decision-making and innovation. Automated workflows in areas such as research and development, procurement and back-office processing are reducing manual rework, duplication and cycle times, while supporting successful execution and lower operational waste.

Our data and analytics capability also advanced materially during the year. By modernising how we consolidate more than 75 data sources into a single trusted view and transforming data engineering and semantic models, we improved the speed and standardisation of commercial visibility, operational reporting and sustainability measurement. By enhancing internal analytics capabilities, we improved responsiveness and strengthened ownership and cost effectiveness.

Targeted digital investment strengthened the Group's resilience. De-risking critical environments, investing in cyber security and improving infrastructure stability enhanced operational continuity.

Research and development automation is a practical example of this value creation. By consolidating technical specifications into a centralised database, we automated the generation of vendor-ready buying specifications, accelerating procurement timelines and supporting more resilient supply chain reviews and vendor negotiations.

Executing multiple large-scale programmes while maintaining operational stability is complex, particularly as the business balances transformation with risk reduction in legacy environments and manages severe cost pressures linked to geopolitical instability and global vendor price increases. However, the Group's continued investment in digital foundations, automation and data capability is strengthening performance, enabling insight-led decision-making and creating future-fit platforms for sustained cost efficiency and best-in-class execution.



FUTURE FIT continued

STRATEGIC ENABLER 2: BUILD A NET POSITIVE BUSINESS TO SECURE OUR ECONOMIC, SOCIAL AND ENVIRONMENTAL FUTURE

By embedding sustainability more deeply into our operations, decision-making processes and supply chains, RCL FOODS continued to strengthen the foundations required for long-term value creation and responsible resource management.

During the year, we further integrated sustainability considerations into capital allocation, operational decision-making and risk management, while making progress in advancing energy and water efficiency initiatives, exploring emissions reduction pathways, enhancing environmental data management and advancing circular packaging and nature-positive practices. As part of our commitment to improving resource efficiency, we continued to mature our approach to measuring and managing water and energy performance. These methodologies have evolved during the year and will continue to be refined. We made meaningful progress in improving risk visibility, governance, data quality and strategic alignment. Although Group efficiency targets were not achieved in 2026, these developments provide a stronger platform for future performance improvements and enhance the Group's ability to identify, manage and respond to sustainability-related risks and opportunities.

Within Groceries, notable progress was made in water efficiency initiatives, particularly in the Beverages business. While overall performance was affected by lower production volumes and the inherent impact of baseload consumption on intensity-based metrics, absolute water consumption declined across the business unit. Operational factors also influenced performance during the year. At the Randfontein Pet Food facility, a contamination incident necessitated remediation and cleaning, resulting in increased site water consumption and reduced production throughput.

Baking continued to strengthen the operational foundations of the business by focusing on water security, quality assurance, governance, risk management and operational capability. Key priorities included embedding a stronger SHERQ culture, strengthening internal controls, advancing quality systems, restoring mill reliability through a long-term capital programme and progressing strategic projects that support future growth, compliance and operational efficiency.

Sugar continued to advance regenerative agricultural practices to enhance long-term productivity and environmental resilience. Initiatives included the use of crop rotation prior to replanting, optimised variety selection and improved harvest scheduling to reduce the need for chemical interventions through the natural mitigation of pest and crop risks. The business also continued to evaluate opportunities to improve energy resilience across its agricultural operations, including the ongoing assessment of solar-powered solutions for pump stations.



For more details on how we are enhancing our **social future**, refer to the People First and Right Growth sections from pages 70 and 82, respectively.



For more details on how we are enhancing our **economic future**, refer to the Right Growth section and the CFO's report on pages 59 and 82, respectively.



FUTURE FIT continued

STRATEGIC ENABLER 2: Build a net positive business to secure our economic, social and environmental future continued



SECURING OUR ENVIRONMENTAL FUTURE

RCL FOODS is taking credible action to support a timely transition to a net-zero, waste-free economy, act as responsible water stewards and protect and restore nature. Throughout this journey, we remain transparent about our efforts and progress.

OUR 2026 ENERGY, WATER AND WASTE PERFORMANCE			
	Unit of measurement	2026	2025
Total carbon footprint (Scope 1 and 2)	tonnes CO ₂ e	479 390	551 309
Total Scope 1 emissions	tonnes CO ₂ e	275 303	309 007
Total Scope 2 emissions	tonnes CO ₂ e	204 087	242 302
Total Scope 3 emissions	tonnes CO ₂ e	N/A*	1 425 950
Total energy consumption	TJ	12 860	12 696
Renewable energy consumption as a percentage of total energy consumption	%	69	64
Water withdrawals – all sources	Mℓ	126 295	176 349**
Waste produced (includes bagasse, which is burnt by the sugar mills for energy)	tonnes	1 497 759	1 364 009
Waste diverted from landfill	tonnes	88%	88%
* Scope 3 emissions were first assessed in 2026 on 2025 data, establishing the Group's baseline. A separate Scope 3 footprint was therefore not calculated for 2026.			
** Previously reported water withdrawal volumes have been restated following improvements in water consumption monitoring and verification during the year.			

In 2026, we advanced our environmental focus areas – climate action, water stewardship, waste reduction, responsible sourcing, protecting nature and accountability – in line with our 2050 sustainability ambitions and leading ESG standards, including GRI, SASB and JSE sustainability guidance.

We improved our CDP score from a B- to a B for climate, while maintaining a C score for forests and water, consistent with global and industry benchmarks.

FUTURE FIT continued

STRATEGIC ENABLER 2: Build a net positive business to secure our economic, social and environmental future continued

CLIMATE ACTION

As climate-related risks, carbon costs and regulatory requirements continue to evolve, RCL FOODS is laying the foundations for a resilient, commercially viable transition to a lower-carbon future. Effective decarbonisation requires a clear understanding of climate-related risks and the sources of emissions across the value chain, enabling informed decisions on where action can deliver the greatest impact.

This understanding helps identify the most material opportunities for emissions reduction and guides the development of practical, commercially viable transition pathways. These pathways prioritise interventions within our direct control and address our most significant sources of emissions, supporting a measured transition to a lower-carbon future.

Together, these efforts strengthen the Group's ability to respond to evolving regulatory requirements, market expectations and carbon-related costs while enhancing long-term resilience.

UNDERSTANDING CLIMATE RISKS

As a food manufacturer, RCL FOODS faces climate risks across its agricultural supply chains and production processes. Understanding these risks through climate risk analysis is essential for safeguarding food security, maintaining supply chain resilience and ensuring long-term value creation:

- Physical risks, including severe weather events, prolonged droughts, changing rainfall patterns and water scarcity, can affect agricultural yields, crop availability and manufacturing continuity
- Transition risks, including policy and regulatory changes, rising energy and compliance costs, carbon pricing mechanisms and evolving consumer demand for sustainably sourced products, can increase operating costs and require changes across the value chain

In 2025, we completed a climate risk analysis for the Sugar business unit, which accounts for the majority of our greenhouse gas (GHG) emissions. In 2026, this analysis assisted the Group in understanding how extreme weather events, which place direct pressure on sugarcane yields and operational continuity, as well as transition risks, could affect our financial performance and integrated these insights into our business planning.

Aligned with internationally recognised frameworks such as IFRS S2, we are strengthening our approach to identifying and assessing climate-related risks. As our reporting matures, these classifications will support the assessment of potential impacts across short, medium and long-term horizons, informing our strategic planning, capital allocation and risk management cycles.

In 2027, we will undertake a climate risk analysis for the Baking business unit.

DEVELOPING OUR DECARBONISATION PATHWAY

Decarbonisation is the process of reducing GHG emissions across operations and the value chain, supporting the transition to a low-carbon economy. In 2026, RCL FOODS strengthened the foundations of its decarbonisation journey by improving visibility of emissions across its operations and value chain.

The completion of our first Scope 3 emissions inventory provided a more comprehensive understanding of the Group's carbon footprint, while quantified, scenario-based decarbonisation pathways enabled the evaluation of different transition options and their associated costs, benefits and implementation complexities. This work highlighted the importance of prioritising action where emissions are most concentrated and where opportunities for impact are greatest, including through the continued development of the sugar energy roadmap, which

addresses the Group's most significant energy and emissions source. Together, these initiatives provide a stronger evidence base for decision-making, helping to identify practical and commercially viable opportunities for emissions reduction while informing the Group's longer-term transition pathway.

Environmental data governance, reporting processes and audit integration were also enhanced during the year, improving data quality and strengthening confidence in climate-related insights and disclosures.

Our multi-year decarbonisation pathway balances regulatory preparedness with operational and commercial feasibility. In the near to medium term, we will focus on controllable, value-accretive interventions while building optionality for deeper value chain decarbonisation. Scaling this ambition relies on technological advances, regulatory evolution, external capital and strategic partnerships.

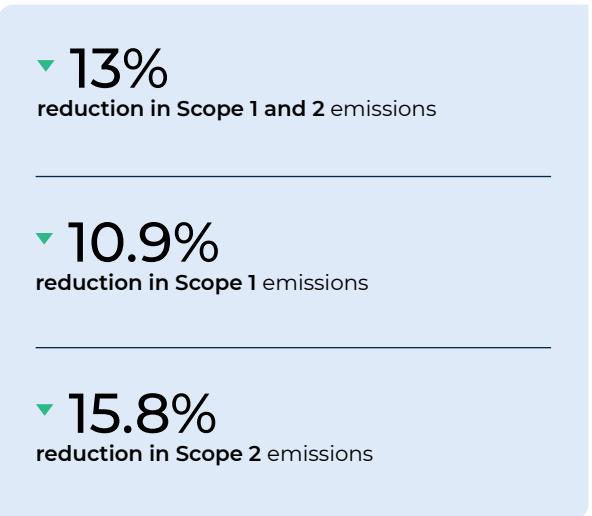


FUTURE FIT continued

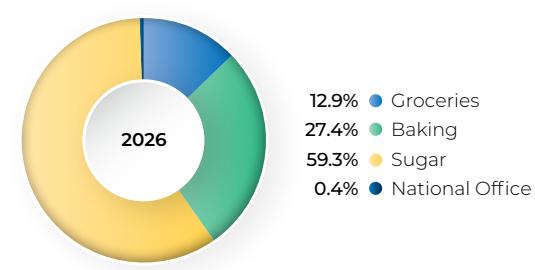
STRATEGIC ENABLER 2: Build a net positive business to secure our economic, social and environmental future continued

CARBON FOOTPRINT

OUR SCOPE 1 AND 2 EMISSIONS IN 2026



SCOPE 1 AND 2 EMISSIONS BY BUSINESS UNIT



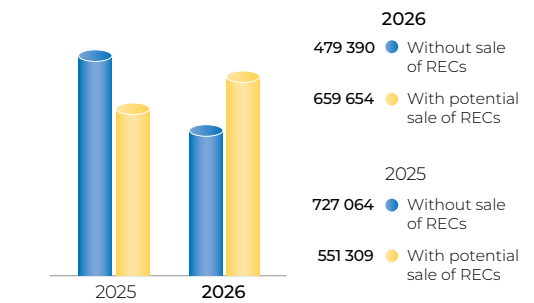
Our carbon footprint decreased significantly, with Scope 1 and 2 emissions decreasing by 13% to 479 390 tCO₂e (2025: 551 309 tCO₂e).

This reduction was primarily driven by increased utilisation of bagasse at the sugar mills, which reduced coal consumption and increased on-site electricity generation, thereby lowering Scope 1 and Scope 2 emissions. In addition, higher rainfall across the Sugar Agricultural operations reduced irrigation requirements, leading to lower electricity consumption and a corresponding reduction in Scope 2 emissions.

In 2026, the Group completed its first Scope 3 GHG emissions assessment using 2025 data, yielding a total Scope 3 footprint of 1 425 950 tCO₂e. The assessment was undertaken to establish a baseline across the value chain and provide a comprehensive understanding of emissions sources beyond the Group's direct operations. As the 2025 data serves as the baseline year, no separate Scope 3 footprint was calculated for 2026. The baseline has significantly improved visibility of the Group's overall emissions profile, enabling a clearer understanding of key emission hotspots and value chain impacts. The results will inform future emissions reduction prioritisation, target setting and decarbonisation pathway development.

Our sugar mills generate renewable electricity from bagasse, with surplus power exported and Renewable Energy Certificates (RECs) are put up for sale. For transparency, the graph below discloses emissions with and without the impact of potential REC sales.

EMISSIONS WITH AND WITHOUT THE POTENTIAL SALE OF RECS



GREENHOUSE GAS (GHG) EMISSIONS REPORTING

As climate change increasingly influences business performance and stakeholder expectations, GHG emissions reporting provides critical information on the Group's environmental impact and transition preparedness. RCL FOODS demonstrates its commitment to GHG emissions reporting and regulatory compliance by submitting its stationary combusted GHG emissions for approval to the Department of Forestry, Fisheries and the Environment (DFFE) in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.

FUTURE FIT continued

STRATEGIC ENABLER 2: Build a net positive business to secure our economic, social and environmental future continued

IMPROVING ENERGY PERFORMANCE

Energy efficiency remains one of the most immediate and controllable opportunities to reduce emissions while improving operational performance and cost competitiveness. As a foundational component of our decarbonisation pathway, we continue to prioritise opportunities to improve energy efficiency across our operations.

During the year, we strengthened the systems, processes and reporting capabilities underpinning energy management, enhancing the quality, transparency and decision-usefulness of environmental data. This enables more effective performance tracking, supports informed decisions and provides greater confidence in the metrics used to manage our transition to a lower-carbon future.

▲ 12 860 terajoules (TJ)

total energy consumption

2025: 12 696 TJ

▲ 69%

of total energy consumption was renewable

2025: 64%

Purchased electricity

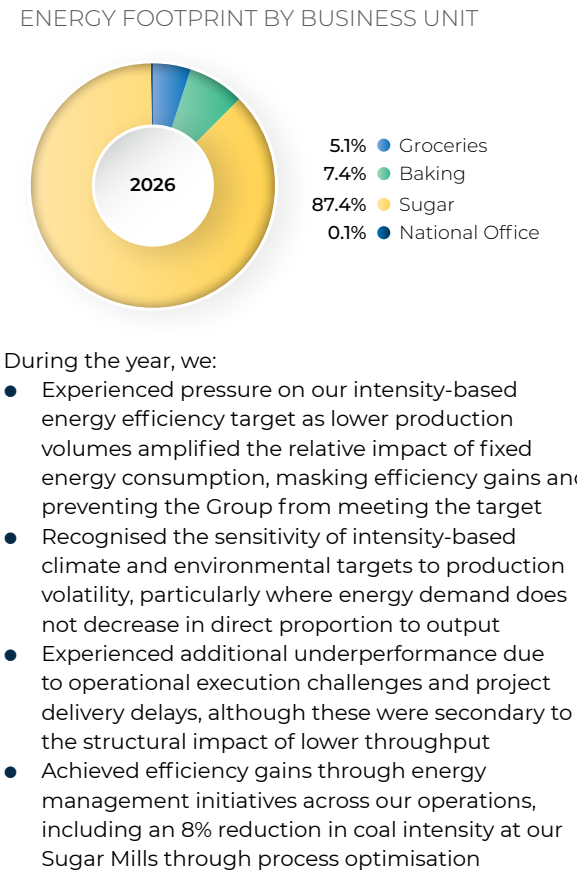
▼ 13%

Coal consumption

▼ 14%

Diesel consumption

▼ 10%



- Lowered overall energy consumption in the Pieman's business through steam system improvements
 - Reduced total diesel use by 10% year on year by substituting stationary diesel with Light Cycle Oil in Pieman's operations
- Against a backdrop of rising carbon costs, grid instability and increasing electricity prices, improving energy performance strengthens our operational resilience while laying the foundation for a credible and commercially sustainable energy transition.

FUTURE FIT continued

STRATEGIC ENABLER 2: Build a net positive business to secure our economic, social and environmental future continued

TRANSITIONING OUR ENERGY MIX

The Group is progressing solar solutions across selected high-risk sites through a combination of capital investments and medium-term power purchase agreements. These initiatives aim to improve energy resilience, protect operational continuity against grid instability and support broader decarbonisation objectives. The Sugar energy roadmap focuses on reducing coal use in the sugar processing operations and is a key decarbonisation lever for the Group.

by increasing the use of renewable biomass in its Sugar operations. Greater utilisation of bagasse reduced reliance on coal and grid-supplied electricity, supporting the Group's decarbonisation journey while enhancing energy self-sufficiency.



- ▲ **198 gwh**
generated by our sugar mills' **co-generation plants**, which generate electricity from bagasse – a waste product of the sugar milling process
2025: 188 GWh
- ▲ **0.79 gwh**
generated by our **rooftop solar photovoltaic installations** at our National Office and Nelspruit Bakery
2025: 0.77 GWh
- ▲ **0.78 gwh**
generated by our **hydro power station**
2025: 0.58 GWh
- ▲ **45%**
of our electricity **demand was met through self-generation initiatives**
2025: 41%

The Group continues to transition its energy mix

FUTURE FIT continued

STRATEGIC ENABLER 2: Build a net positive business to secure our economic, social and environmental future continued

RESPONSIBLE WATER STEWARDSHIP

Operating in one of the world’s driest countries, with national water demand projected to exceed supply by up to 17% by 2030, RCL FOODS recognises the importance of responsible water stewardship.

OUR WATER CONSUMPTION IN 2026

▼ 126 295 Mℓ
Total water withdrawn
2025: 176 349 Mℓ*

Surface water withdrawals decreased by
▼ 29%

Municipal water withdrawals decreased by
▼ 6.2%

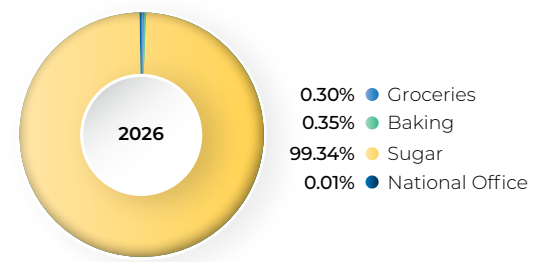
Borehole water withdrawals increased by
▲ 6%
to 140 428 kℓ
2025: 132 595 kℓ

* Previously reported water withdrawal volumes have been restated following improvements in water consumption monitoring and verification during the year.

UNDERSTANDING SURFACE WATER WITHDRAWALS

As the Group’s largest water user due to sugarcane irrigation, the Sugar business unit benefited from higher rainfall in 2026, which reduced irrigation demand and total surface water withdrawals by 29%. Water stewardship efforts further reduced freshwater withdrawal through process water recovery and reuse, while municipal withdrawals decreased by 6.2% due to alternative sourcing.

WATER WITHDRAWALS BY BUSINESS UNIT



Our responsible water stewardship efforts during the year included:

- **Continuing water recovery and reuse initiatives:** Water recovery and reuse initiatives, including the reuse of recovered process water from cane crushing for irrigation, reduced freshwater use and supported catchment-level water stewardship
- **Exceeding efficiency targets in Baking and Groceries:** Baking and Groceries outperformed their water intensity targets by 3% and 1%, respectively
- **Improving irrigation efficiency:** Drip irrigation increased to 47% of irrigated cane area (2025: 45%), while drip and pivot systems together covered around 90% of irrigated land
- **Enhancing water risk resilience:** Groceries have commenced with the construction of a 2.8 Mℓ storage tank at its Randfontein facility to improve water security and safeguard operations against potential supply interruptions
- **Strengthening water data and risk governance:** Enhanced monitoring, including smart meter implementation, helped identify and correct metering discrepancies. We also embarked on an integrated water risk assessment and control framework review, enabling the Group to identify vulnerabilities, strengthen mitigation measures and improve resilience to current and emerging water-related challenges
- **Actively engaging with stakeholders:** Our sugar mills continued to participate in Irrigation Board discussions and engage with the Inkomati-Usuthu Catchment Management Agency, strengthening catchment-level water governance and risk mitigation efforts.

While these initiatives represent an important step forward, further work is required to improve the consistency of site-level data and standardise reporting processes to support more robust performance tracking. Looking ahead, we will further strengthen resource stewardship by focusing on integrated water risk management, infrastructure upgrades and advanced monitoring.



FUTURE FIT continued

STRATEGIC ENABLER 2: Build a net positive business to secure our economic, social and environmental future continued

WASTE FREE

OUR WASTE GENERATION IN 2026

▲ 1 497 759 tonnes

of total waste generated*

2025: 1 364 009 tonnes

◀▶ 88%

of our waste converted to energy, composted,
recycled, reused or reworked

2025: 88%

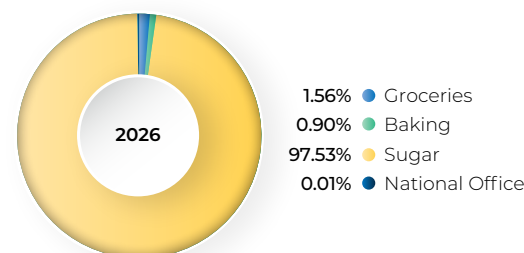
◀▶ 12%

Waste to landfill

2025: 12%

* The waste we report includes bagasse, which is used to generate energy at our sugar mills.

WASTE GENERATION BY BUSINESS UNIT



Our waste-related progress during the year included:

- **Diverting waste from landfill:** Total generated waste increased by 9.8% in 2026, with 88% diverted from landfill through energy conversion, composting, recycling and reuse. The increase was mainly driven by increased use of bagasse as a renewable fuel source at the Sugar mills
- **Recovering by-products:** Increased utilisation of bagasse in the Sugar operations reduced residual biomass disposal to landfill by recovering and reusing this milling by-product as a primary fuel
- **Reducing food waste:** Site-level interventions, including real-time material tracking, equipment upgrades, process standardisation and root cause analysis, reduced food waste across key product lines and improved operational efficiency
- **Streamlining packaging and materials:** Targeted packaging and operational improvements reduced material waste, with packaging upgrades expected to save more than R2,5 million annually through reduced plastic usage
- **Unlocking alternative value streams:** Strategic waste declassification licences enabled the pursuit of alternative value streams for by-products such as coal ash, supporting increased landfill diversion
- **Strengthening operational waste discipline in Baking:** In Baking, a structured waste reduction programme focused on operational discipline, daily inspections, and cross-functional accountability is shifting the plant from reactive to proactive waste management

RCL FOODS is continuously seeking opportunities to decrease our reliance on landfill through a shift towards recovery, recycling and alternative beneficial uses; and enhancing the data accuracy, completeness and credibility of our waste reporting.

PACKAGING

Packaging is vital for food safety, quality and brand communication. However, its environmental impact, particularly from single-use plastics, remains a key concern. RCL FOODS' sustainable packaging strategy supports our commitment to responsible packaging throughout its life cycle and focuses on three pillars:

- Innovating for recyclability or reusability
- Eliminating unnecessary packaging
- Circulating materials to keep them in the value chain and outside the environment

Culinary is transitioning its two largest brands to fully recyclable packaging. Yum Yum has already converted to a recyclable PET jar and sleeve, with Nola on track for July 2026.

In 2026, we established a clear, quantified baseline for packaging risk, confirming that exposure is material and highly concentrated. We continue to explore scalable solutions to reduce non-recyclable packaging while balancing cost, product performance and operational feasibility.

EXTENDED PRODUCER RESPONSIBILITY

In 2026, we strengthened our participation in the Extended Producer Responsibility (EPR) schemes. Through ongoing collaboration with Producer Responsibility Organisations, RCL FOODS has contributed to the expansion and effectiveness of national collection and recycling systems for plastic, paper-based and metal packaging, supporting improved recovery outcomes across these material streams.

In response to recent amendments to EPR regulations, which place greater responsibility on producers for the end-of-life management of packaging materials, RCL FOODS is enhancing its packaging data management and tracking capabilities to support compliance and ensure transparent reporting.

Further demonstrating our commitment to advancing packaging circularity, one of our Group Sourcing Executives serves on the Polyco Board, enabling RCL FOODS to actively shape industry initiatives and drive South Africa's transition to a circular economy.

Looking ahead, we will focus on advancing a credible, site-level approach to waste management. Key priorities include identifying waste stream beneficiation and declassification opportunities to increase landfill diversion, establishing robust data baselines, and actively partnering with the continuous improvement and engineering teams to embed sustainable, operational solutions.

FUTURE FIT continued

STRATEGIC ENABLER 2: Build a net positive business to secure our economic, social and environmental future continued

RESPONSIBLE SOURCING

RCL FOODS proactively partners with suppliers who uphold responsible ESG practices. We are committed to responsible sourcing and will continue to pursue transparent, traceable and ethical supply chains.

In 2026, we strengthened supply chain resilience by embedding robust risk management in supplier selection and onboarding, identifying key supplier dependencies and implementing targeted mitigation and dual-sourcing strategies. We continued to strengthen sourcing practices and supplier relationships to support transparent and sustainable supply chains. Through our ForFarmers wheat partnership, we support four emerging farmers with funding and market access, helping them build commercially sustainable businesses.

Our Responsible Sourcing Strategy integrates sustainability, ESG and localisation to strengthen resilience and secure the supply. During the year, we implemented a Responsible Sourcing Policy and a supplier risk assessment framework to enhance governance and support risk-based sourcing decisions. Established local sourcing in the Sugar division continued to provide supply stability.



Read more about our relationships with our suppliers are on page 38 and communities on page 31.

Maintained
Level 3
B-BBEE status

5 677
active vendors supplying us with over **340**
sourcing categories across the Group



Refer to page 74 for more information on our B-BBEE status.

We refined our supplier decision-making matrix to place increased emphasis on risk, B-BBEE, localisation and sustainable practices. We will continue to focus on strengthening our supplier relationships and proactive risk management.

PROTECTING NATURE

RCL FOODS manages 13 000 ha of sugarcane land, applying improved soil management practices across 2 000 ha to support soil health, biodiversity and pest control. During 2026, above-average rainfall increased erosion risks in some areas, prompting targeted conservation and drainage interventions. Sustainable and regenerative practices were expanded to 1 965 ha, including rotational crops, organic soil amendments and precision nutrient management, improving soil health, water retention and crop resilience while supporting biodiversity.



LOOKING AHEAD

OUR 2027 STRATEGIC PRIORITIES

- Digitising demand planning, research and development initiatives
- Delivering the next phase of our enterprise resource planning system roadmap
- Delivering our water and energy reduction targets and progressing our decarbonisation journey

EXPECTED OUTCOMES

- Building core business capability that drives commercial value, strengthens control and reduces organisational risk
- Enabling more granular, data-driven understanding of route-to-market performance and partner economics
- Supporting long-term resilience, cost competitiveness and regulatory preparedness

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BEHIND EVERY TRUSTED BUSINESS, THERE IS STRONG GOVERNANCE

Our governance practices provide the oversight, processes and principles that support ethical, transparent and effective decision-making.



STATEMENT OF COMPLIANCE

RCL FOODS (the Group or the Company) endorses the governance outcomes, principles and practices as set out in the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)*. The Group continues to report against the principles of King IV for the 2026 financial year, and the Board believes that in 2026, RCL FOODS applied the King IV principles and practices in a manner appropriate to the Group. The Group's application of the King IV principles is explained in our King IV Application Register.

As part of its commitment to maintaining high standards of corporate governance and staying aligned with evolving governance best practice, and following the publication of King V and its application to the Group's reporting from the 2027 financial year, the Group has commenced preparations for the transition to King V. This includes evaluating governance practices and disclosures against the evolving expectations reflected in King V and assessing any enhancements required to support implementation readiness. The Board is satisfied that the Group is well positioned to transition to King V and will continue its implementation and disclosure readiness activities during the next financial year.

The Board is satisfied that the Company:

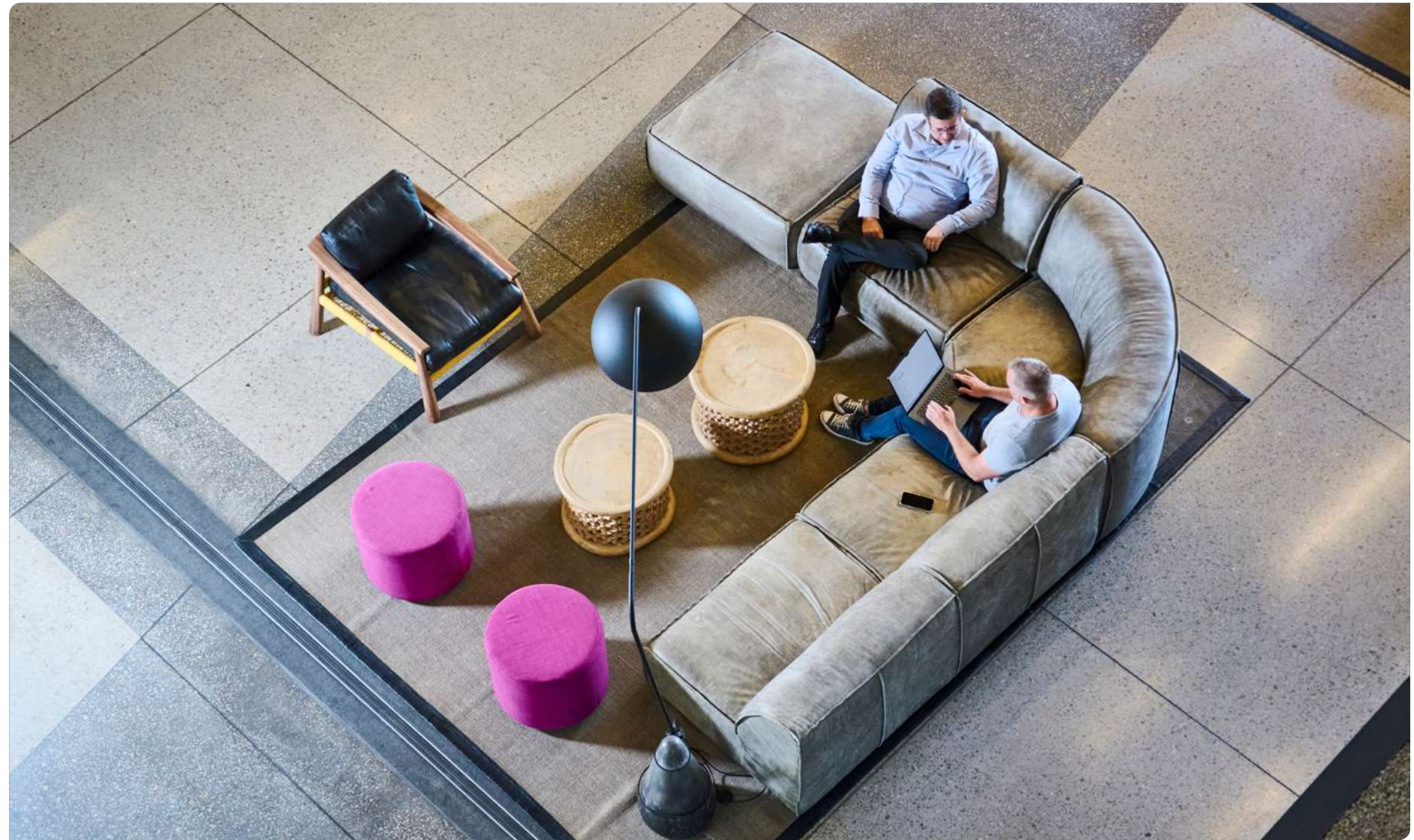
- Meets the requirements of the Companies Act of South Africa, including in relation to its incorporation
- Complies with the JSE Listings Requirements
- Conforms to its Memorandum of Incorporation

The Group's values promote uncompromising integrity by being more inclusive, agile, collaborative, sustainable, accountable and curious. The Board ensures the Group embodies these through ethical and effective leadership.

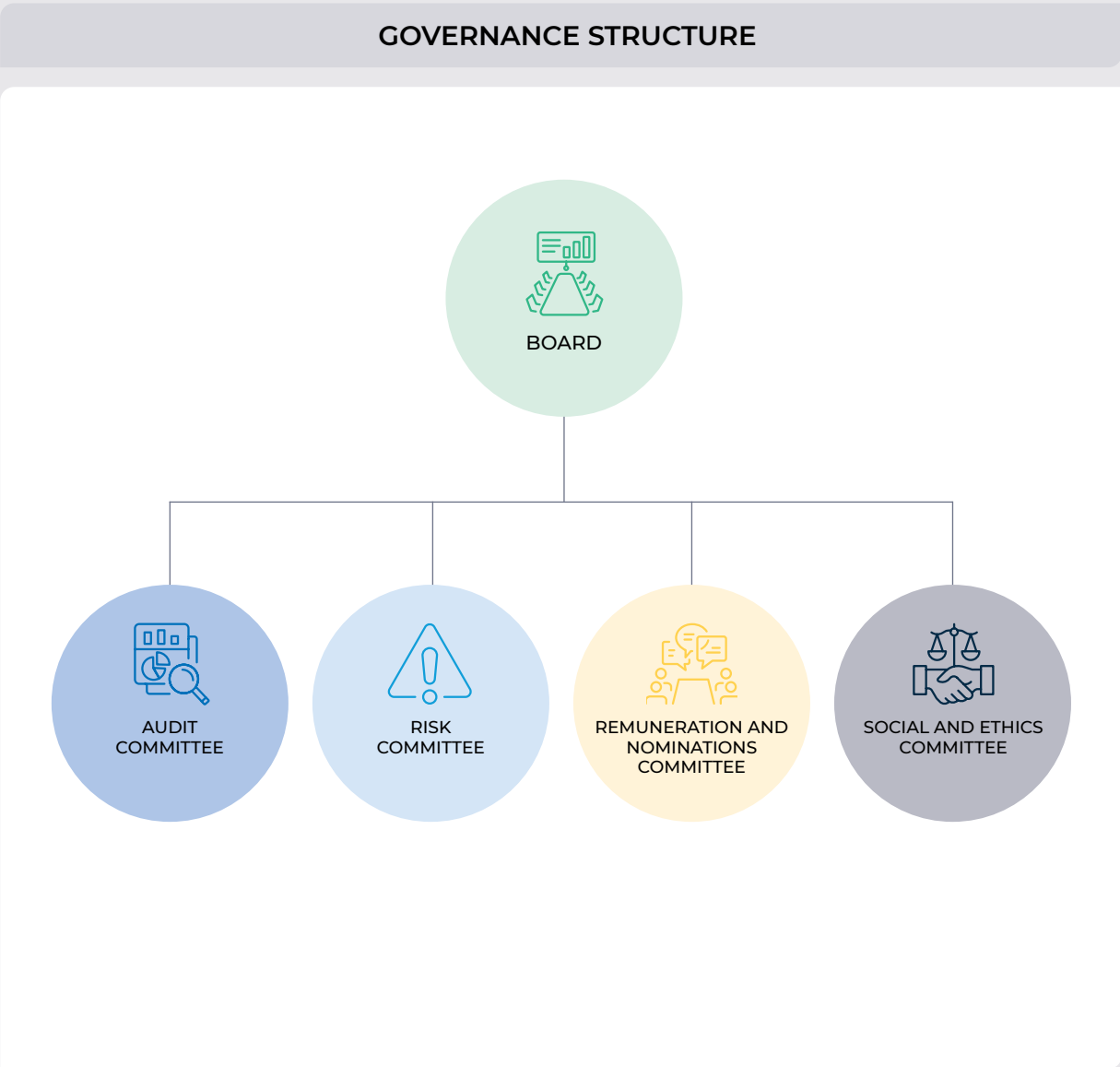


Find the full King IV Application Register at <https://rclfoods.com/financial-results-and-reports-2026/>.

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BOARD GOVERNANCE

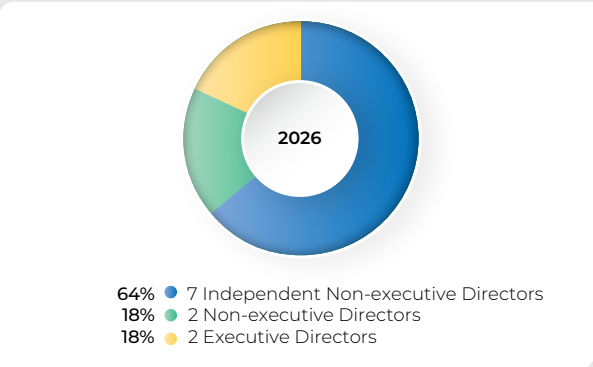


BOARD OF DIRECTORS

For 2026, the Group had a unitary Board, which comprised 11 directors, made up of seven independent Non-executive Directors, two Non-executive Directors and two Executive Directors. The Board Chairman, Mr GM Steyn, is independent. The roles and responsibilities of the Chairman and Chief Executive Officer (CEO) are separate.

BOARD COMPOSITION

The Board conducts the affairs of the Group by leveraging the diverse industry knowledge, expertise and experience of its members. The Board is satisfied that it has an appropriate balance of skills, experience, diversity and independence to effectively execute its responsibilities and support the Group's strategic objectives. The Board maintains an appropriate balance of power and authority, ensuring that no individual or group of individuals has unfettered decision-making powers or undue influence. In line with its commitment to continuous improvement and governance excellence, the Board is also preparing for the transition to King V, proactively considering emerging governance developments and their implications for the Group's governance framework and practices.



BOARD RESPONSIBILITIES AND MEETING ATTENDANCE

The Board is the custodian of corporate governance and provides effective leadership grounded in ethical and responsible decision-making. The Board's terms of reference, including roles and responsibilities, are set out in a formal Board charter, which is reviewed annually to ensure continued relevance and alignment with governance requirements and regulatory developments.

The Board charter is available at <https://rclfoods.com/investor-center/corporate-governance/governance-documents/>.

Directors who are unable to attend meetings tender their apologies and reasons for non-attendance in advance and engage with the Chairman prior to the meeting to provide input on significant matters.

	Attendance
Current members	
GM Steyn* (Chairman)	6/6
GP Dingaan*	6/6
PM Moumakwa*	6/6
DTV Msibi*	6/6
GCJ Tielenius Kruythoff*	6/6
GC Zondi*	6/6
PD Cruickshank#	6/6
RH Field#	6/6
CPF Vosloo^	6/6
RM Rushton*	6/6
L Zingitwa^	5/6

* Independent Non-executive Director.
^ Non-executive Director.
Executive Director.

BOARD GOVERNANCE continued

2026 KEY ACTIVITIES

- Approved the Group strategy and business plan for the 2027 financial year
- Assessed and approved the conclusion of binding agreements to acquire Martin & Martin
- Monitored the management and resolution of the pet food product recall
- Considered and approved major capex investments in information technology (IT), Sugar and Baking
- Oversaw the orderly separation of the shared services arrangements between Rainbow Chicken and the Group
- Approved the half-year and year-end financial results and JSE announcements
- Approved the Integrated Annual Report (IAR)
- Discussed and considered material issues relating to execution of strategy
- Approved Non-executive Directors' fees for tabling at the Annual General Meeting (AGM)
- Considered the declaration of directors' personal financial interests

ACCESS TO RECORDS AND INDEPENDENT ADVICE

Directors have unrestricted access to all Group information, records, documents and property. Non-executive Directors have access to management and may meet separately with management, without the presence of Executive Directors. All directors have access to the advice and services of the Company Secretary, and directors may obtain independent professional advice at the Group's expense, should they deem this necessary.

COMPANY SECRETARY

The Board is cognisant of the duties of the Company Secretary, who is empowered to properly fulfil those duties. Ms LG Kelso is the Company Secretary, and she fulfils the following functions in line with the Board charter:

- Director induction
- Provision of guidance to the Board and individual directors on their duties and responsibilities and their proper conduct
- Ensures compliance with statutory and regulatory requirements
- Acts as the primary point of contact between shareholders and the Group

The Board assessed and was satisfied that the Company Secretary is competent and has the requisite qualifications and experience to effectively execute her duties. The Company Secretary maintains an arm's length relationship with the Board. The Company Secretary is not a director of the Company and is not related to any of the directors.

DIRECTORS' INDEPENDENCE

The Board comprises a majority of independent Non-executive Directors. In classifying directors as independent, the Board considers whether the director is independent in character and judgement and whether there are any relationships or circumstances which are likely to affect, or could appear to affect, the director's independence. On the basis of the findings of this evaluation, the Board considers Ms GP Dingaan, Dr PM Moumakwa and Messrs GM Steyn, DTV Msibi, GC Zondi, GCJ Tielenius Kruythoff and RM Rushton to be independent.

All directors are required to disclose any conflicts of interest as and when they arise, and an ethics and conflict of interest declaration is signed annually.

APPOINTMENTS TO THE BOARD

The Board adopted a Board Diversity Policy that promotes broader diversity at Board level, specifically focusing on the diversity attributes such as gender, race, culture, age, field of knowledge, skills and experience. The policy is reviewed annually and is available on the Company's website. Board appointments are made on merit, against objective criteria and with due regard to the benefits of broader diversity. Although formal targets are not set, the policy is applied through a formal and transparent nomination and appointment process overseen by the Remuneration and Nominations Committee. The Committee considers the composition of the Board, including retirements and the appointment of additional or replacement directors, to ensure an appropriate balance of skills, experience, diversity and independence.

The CEO and the CFO are appointed to the Board as Executive Directors and are responsible for running the business.

The Board reviews its required mix of skills, experience and demographics to assess its effectiveness and that of its committees and individual directors. Non-executive Directors are selected based on industry knowledge, professional skills and experience, while considering and applying the Board Diversity Policy. Upon their appointment, new directors visit the Group's businesses and meet with senior management, as appropriate, to facilitate their understanding of the Group and their fiduciary responsibilities.

In accordance with the Memorandum of Incorporation, not less than one-third of the directors must retire annually, as well as any director who has held office for three years since their last election. Any such

directors may make themselves available for re-election by shareholders, if eligible. Accordingly, Messrs PD Cruickshank, DTV Msibi, CPF Vosloo and Ms GP Dingaan retire by rotation at the 2026 AGM and, being eligible, have offered themselves for re-election.

BOARD EFFECTIVENESS

In 2026, the Company Secretary facilitated a performance evaluation of the Board and its committees with reference to the King IV principles and recommended practices. These annual formal evaluations assess the Board's effectiveness in terms of:

- Composition and meetings
- Performance of Board committees and their interactions with the Board
- Board information
- Board orientation and development
- Functioning and processes
- The Chairman
- Individual evaluation

The Company Secretary consolidated the results of the evaluations and delivered them to the Chairman of the Board. No matters of material concern were raised. The Board is satisfied that the evaluation process supports its performance and effectiveness.



BOARD GOVERNANCE continued

BOARD COMMITTEES

RCL FOODS is committed to achieving the highest standard of corporate governance and ethical business behaviour, with the goal of creating sustainable value for its stakeholders. The directors recognise that good corporate governance starts with leadership, and it is necessary to operate with integrity and comply with relevant legislation, regulations and best practices.

The Group's approach to governance extends beyond mere legislative and regulatory compliance. The directors strive to entrench an enterprise-wide culture of good governance and ethical conduct. For RCL FOODS, corporate governance includes the structures, processes and practices that the Board uses to assist it in providing oversight and strategic direction to the Group.

Board committees assist the Board in discharging its responsibilities. Each Board committee has a formal charter, which contains its terms of reference, detailing its roles and responsibilities and defining functions, reporting responsibilities and scope of authority. Committees can seek independent external professional advice as necessary. All committees are subject to evaluation by the Board to ascertain their performance and effectiveness.



The committees' complete terms of reference are detailed in their individual charters, available at www.rclfoods.com/investor-center/corporate-governance/governance-documents/.

AUDIT COMMITTEE

The Audit Committee oversees the integrity of the Group's financial standing. It also reviews the internal financial controls to satisfy itself that they are adequate and effective. The Committee:

- Approves the external audit fees
- Assesses the performance of the external auditors and recommends retention or replacement
- Ensures that the internal audit function is independent and effective
- Approves the internal audit plan annually
- Provides oversight of risk management processes in relation to financial reporting, internal financial controls, IT and fraud
- Ensures finance processes are effective

Directors who are unable to attend meetings tender their apologies and reasons for non-attendance in advance and engage with the Chairperson prior to the meeting to provide input on significant matters.

	Attendance
Current members	
GP Dingaane (Chairperson)	3/3
DTV Msibi	3/3
GC Zondi	3/3
External invitees	
M Kassie*	3/3

* Ernst & Young Inc.

The CEO, CFO, Internal Audit Director and Group Finance Director were invitees to committee meetings.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its approved charter.



The full Audit Committee Report is included in the Annual Financial Statements available at <https://rclfoods.com/financial-results-and-reports-2026/>

RISK COMMITTEE

The Risk Committee is responsible for overseeing the adequacy and overall effectiveness of the Group's risk management function and its implementation by management.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its approved committee charter.



Further details of the risk management process are included on pages 109 to 110 of this report.

Directors who are unable to attend meetings tender their apologies and reasons for non-attendance in advance and engage with the Chairperson prior to the meeting to provide input on significant matters.

	Attendance
Current members	
GC Zondi (Chairperson)	3/3
PD Cruickshank	3/3
GP Dingaane	3/3
RH Field	3/3
RM Rushton	3/3
GM Steyn	2/3
External invitees	
M Kassie*	3/3

* Ernst & Young Inc.

The Chief Business Services and Risk Officer, Internal Audit Director, Group Digital and Information Director, Group Finance Director, Group Legal Director, Group Risk Executive, Group Sustainability Executive and Group SHERQ Director were invitees to Risk Committee meetings.

2026 KEY ACTIVITIES

- Reviewed the risk profile to ensure its alignment with Group strategic objectives
- Considered the material risks facing the Group, encompassing strategic, operational, compliance, financial and reputational risks
- Considered changes in the risk profile of the Group and its business units and their impact on the business
- Reviewed strategic risks for all business units, confirming mitigation strategies developed by management, including business continuity planning for the water security risk, as well as disaster recovery planning and continuity measures
- Examined material incidents and areas of non-compliance, including root cause analyses and associated financial or operational impacts
- Monitored the management and resolution of a pet food product recall, including the identification of key lessons learned and related control enhancements
- Continued its focus on safety culture on sites across the Group
- Reviewed assurance results of the combined assurance model against approved monitoring plans
- Strengthened the Group's cyber security control environment by monitoring emerging cyber risk trends, enhancing response strategies and rolling out targeted training initiatives across the organisation
- Reviewed the Group's sustainability strategy and received updates on:
 - Progress against sustainability targets
 - The status of the implementation of key sustainability projects relating to energy and water conservation
- Reviewed the insurance programme to ensure cover remains adequate
- Assessed key IT focus areas, including cyber security and other digital projects
- Reviewed key legal matters

BOARD GOVERNANCE continued

REMUNERATION AND NOMINATIONS COMMITTEE

The Committee is responsible for both remuneration matters and nomination matters.

REMUNERATION MATTERS

The Committee is responsible for:

- Assessing and approving the Group's remuneration strategy
- Determining short-term and long-term incentive pay structures for Group executives
- Determining the positioning of senior executive pay levels relative to local and international industry benchmarks
- Assessing and authorising specific reward proposals for Group executives and senior management



NOMINATION MATTERS

The Committee assists with ensuring the Board has the appropriate composition for it to execute its functions effectively and that formal succession plans are in place.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its approved committee charter.

Directors who are unable to attend meetings tender their apologies and reasons for non-attendance in advance and engage with the Chairperson prior to the meeting to provide input on significant matters.

	Attendance
Current members	
PM Moumakwa (Chairperson: Remuneration)	5/5
GM Steyn (Chairperson: Nominations)	5/5
DTV Msibi	4/5
CPF Vosloo	5/5

The CEO and Chief Human Resources Officer were invitees to Remuneration and Nominations Committee meetings.

For more information, refer to the detailed Remuneration Report for 2026 from page 113.

SOCIAL AND ETHICS COMMITTEE

The Social and Ethics Committee's role is to assist the Board with monitoring and reporting on the Group's activities relating to social and economic development, good corporate citizenship, environment, health and public safety, consumer relationships, labour and employment.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its approved committee charter.

Directors who are unable to attend meetings tender their apologies and reasons for non-attendance in advance and engage with the Chairperson prior to the meeting to provide input on significant matters.

	Attendance
Current members	
GC Zondi (Chairperson)	2/2
PD Cruickshank	2/2
GP Dingaan	2/2
PM Moumakwa	1/2

The CFO is a permanent invitee, and the Chief Human Resources Officer, Chief Business Services and Risk Officer, Corporate Affairs Director, the executive responsible for corporate social investment and the Sustainability Executive were invitees to Social and Ethics Committee meetings.

The detailed report of the Social and Ethics Committee is included in the Notice of AGM at <https://rclfoods.com/financial-results-and-reports-2026/>



BOARD GOVERNANCE continued

RISK MANAGEMENT AND GOVERNANCE

RISK MANAGEMENT

The Board views effective risk management as a key enabler of responsible corporate governance, informed decision-making and sustainable value creation. The objective of the Group's risk management programme is not to eliminate risk, but to understand and manage uncertainty in a way that protects the Group, strengthens resilience and enables optimised opportunities to be pursued in line with our strategic objectives.

RCL FOODS applies an enterprise-wide approach to risk management, supported by a formal and systematic process for identifying and assessing the Group's material risks. The Board has delegated oversight of the Group's risk management function to the Risk Committee. The Chairperson of the Audit Committee is also a member of the Risk Committee, while the Chairperson of the Risk Committee is an *ex officio* member of the Audit Committee, enabling regular information sharing between the committees.

The Board has approved a Risk Management Policy and a formal risk charter, which define the objectives of risk management and guide the Group's response to risk. The charter is aligned with the principles of the Committee of Sponsoring Organisations of the Treadway Commission framework and supports the Group's application of the King IV principles and recommended practices relating to risk governance. It provides for continuous risk identification at strategic and operational levels, together with the evaluation of mitigating controls.

The top risks for each operating unit are continually updated through a robust risk assessment process and assessed for completeness and accuracy by each business unit's Governance Committee.

The risk management process is illustrated alongside. Formal risk assessments are conducted biannually and include reassessing existing risks and identifying new and emerging risks through facilitated workshops and interviews with Group executives and management.

The Group's risk management process provides the foundation for identifying, evaluating and capitalising on opportunities that support sustainable value creation for all stakeholders.



Through strategy and business review sessions, the leadership team evaluates key opportunities in the context of each business unit's strategic objectives, risk profile and performance. The Group's identified and managed opportunities include cost containment, growth and expansion, sustainability efficiencies and other initiatives that support long-term value creation.



For more detail on the Group's opportunities and initiatives, visit our website at <https://rclfoods.com/financial-results-and-reports-2026/>.

Through the Risk Committee, the Board monitors and reviews the risk management process. The Audit Committee provides complementary oversight in relation to internal financial controls, financial reporting risks and the effectiveness of combined assurance arrangements, enabling co-ordinated oversight between the two committees.

RCL FOODS applies a five-lines-of-defence combined assurance framework to co-ordinate the efforts of management, internal assurance providers and external assurance providers. This supports collaboration across assurance activities and provides a holistic view of the Group's risk profile and control environment. The Risk Committee periodically advises the Board on the status of risks and controls for its review, approval and stakeholder reporting through the IAR, including reporting on risk management and the effectiveness of internal controls.



Details on the Risk Committee's activities can be found on page 107.

Our risk management processes and responses will continue to evolve in line with changes in the operating environment and the material trends shaping the Group's strategic direction. Looking ahead, the following remain key focus areas:

- Embedding environmental, social and governance (ESG) priorities into the Group's enterprise risk management framework, with oversight from the Risk Committee, to ensure sustainability considerations are integrated into risk and opportunity identification and decision-making
- Embedding SHERQ and regulatory compliance into the Group's values and operations, with an increased focus on accountability, compliance and quality
- Continuing to monitor and enhance the Group's risk management processes and internal controls
- Monitoring and strengthening cyber security controls to support the mitigation of evolving cyber risks
- Continuing to strengthen the Group's compliance framework and enhance the oversight, accountability, monitoring and reporting of compliance obligations
- Strengthening emerging risk identification through horizon scoring, scenario analysis and external intelligence
- Increasing focus on interconnected and systemic risks, including climate, water, energy, cyber and supply chain risks



The material risks impacting the Group are detailed in the material risks and opportunities section from page 39 of the IAR.

BOARD GOVERNANCE continued

RISK MANAGEMENT PROCESS

1. CONTEXT SETTING AND RISK IDENTIFICATION

Through interviews, facilitated workshops, surveys and industry benchmarking, executives and management identify and define risks that could impact the achievement of strategic goals, including operational, financial, regulatory and strategic risks.

2. RISK ANALYSIS AND EVALUATION

Risks are assessed quantitatively and qualitatively and rated and ranked by management, as defined in the RCL FOODS risk assessment criteria, based on probability, impact and control effectiveness.

3. RISK RESPONSE

After risks are reviewed, management approves appropriate treatment methods to manage risks to an acceptable level aligned with strategy. Management may decide to avoid the risk through prevention procedures, accept the risk by maintaining its current level, share the risk with an independent counterparty or manage the risk by implementing policies and procedures to lower it.

4. RISK REPORTING AND MONITORING

The relevant Business Unit Executive Committee and Risk Committee are kept abreast of management's assessment of existing and emerging risks, risk response strategies and mitigation measures. Assurance on controls is provided through the combined assurance model.

Effective stakeholder engagement is vital to good corporate governance and long-term sustainable success.

DEALING IN SECURITIES

The Group has a formal policy, established by the Board and implemented by the Company Secretary, prohibiting dealing in securities by directors, prescribed officers and other selected employees for a designated period preceding the announcement of its financial results or in any other period considered sensitive. The Chairman, through the Company Secretary, approves any dealings by directors.

STAKEHOLDERS

The Board has delegated the governance of stakeholder relationships to the Social and Ethics Committee. A comprehensive stakeholder engagement strategy is in place. The Group's aim is to build and develop collaborative relationships with its stakeholders to protect its licence to operate as a responsible and responsive corporate citizen in the interests of long-term sustainability and commercial success.

Effective stakeholder engagement is vital to good corporate governance. The Group is committed to implementing meaningful stakeholder engagement.

INTERNAL CONTROLS

The Executive Directors are responsible for:

- Ensuring internal control systems provide reasonable assurance regarding the safeguarding of assets and the prevention of their unauthorised use or disposal
- Maintaining proper accounting records
- Ensuring the reliability of the financial and operational information used in the business



The full King IV application table is available on our website at <https://rclfoods.com/financial-results-and-reports-2026/>.

BOARD GOVERNANCE continued

IT GOVERNANCE

Technology and information are seen as fundamental enablers of the Group's strategy, performance and long-term sustainability. The Group has a dedicated Digital and Information Director, who is represented at relevant executive forums. The Group IT strategy is aligned with the overall business strategy and guides appropriate investment in IT systems and technology. The Board retains overall accountability for technology and information governance and has delegated the day-to-day management to an executive management team, which provides ongoing oversight through an IT governance framework and appropriate policies, standards and controls. The enhancements to the King V principles for governance of information and technology are being incorporated into the framework and informing policy and disciplines.

Information and technology risk is integrated into the Group's risk management processes and is considered by the Risk Committee as part of its oversight of IT governance. A mature IT governance framework directs the classification and execution of IT initiatives in the business, which are consistently applied as part of Group IT's management practices and disciplines.

The Group's Transformation Management Office (TMO) reports to the CFO. TMO continues to be effective in integrating people, technologies, information and processes across the Group. It collaborates with Group IT to monitor the overall effectiveness of IT systems and information management to ensure that anticipated project benefits are realised and that the Group's needs are fully satisfied. This practice is complemented by a mature IT general controls external audit process that continues to run as a single standardised audit process across the Group. RCL FOODS appointed Ernst & Young Inc. as its external auditors and remains focused on continuous improvement around controls and governance.

Information, data and cyber security remain key strategic priorities. The Group further enhanced its overall position through the continued advancement of the roadmap, including incorporating responses to rapidly evolving trends. The Group also continues to mature its Protection of Personal Information Act-aligned information governance practices, with focus on the appropriate classification, ownership, secure handling and protection of personal and sensitive information. The full IT separation of Rainbow was completed as planned, with transition support and capability enablement and with no disruption to business operations for either entity.

The successful collaboration between the TMO, IT and the extended business is the blueprint for governing the multi-year IT roadmap implementation. Project Helix, the Group's SAP S/4HANA journey, continues as planned, with appropriate governance applied to delivery, risk management, change enablement and benefits realisation.

The technology underpinning data and analytics is being modernised and supports the organisation's digital and analytical maturity. Transforming the data engineering and semantic models has improved speed, responsiveness and standardisation across multiple data sources. The foundation supports various digital and artificial intelligence solutions in a controlled ecosystem. Further digital transformation opportunities, including significant artificial intelligence use cases, are being evaluated and executed in alignment with the business's strategic priorities and principles.

SUSTAINABILITY GOVERNANCE

At RCL FOODS, sustainability governance is anchored in ethical leadership, strategic oversight and a structured approach to delegation and accountability. The Board holds ultimate responsibility for sustainability-related matters, ensuring that ESG priorities are embedded into strategic decision-making and remain aligned with our Purpose: We Grow What Matters. Oversight is delegated to the Risk Committee and the Social and Ethics Committee, which receive regular reporting to monitor progress, assess risks and guide strategic alignment. This governance framework aligns with King IV, the Global Reporting Initiative Standards and the JSE Sustainability Disclosure Guidance, reinforcing our commitment to transparent, responsible business practices and long-term value creation. Reflecting our belief that sustainability must be built in – not bolted on – ESG disclosures are fully integrated into the IAR, ensuring that sustainability performance is communicated alongside other strategic priorities.

Management accountability is clearly defined through the Executive Team and the Group Sustainability Team, who are responsible for developing and implementing strategies and processes that embed sustainability across the business. This includes identifying material topics, managing ESG risks and opportunities and ensuring alignment with our purpose, values and strategic objectives. These efforts are operationalised through a decentralised matrix structure that enables functional and business unit teams to localise strategies and integrate sustainability into daily operations.

The Risk Committee plays a pivotal role in ensuring that sustainability risks and opportunities are embedded within RCL FOODS' strategic risk framework. It oversees the adequacy and effectiveness of risk management processes across key ESG areas, including climate change, water, waste and energy, each carrying material operational and reputational implications. The Committee monitors progress against credible baselines, reviews alignment with evolving regulatory and disclosure standards and ensures that sustainability efforts are integrated into enterprise risk management.

The Social and Ethics Committee assists the Board with monitoring and reporting on a range of sustainability-related matters, as outlined on page 108. It reviews progress across a broad spectrum of sustainability-related areas, including leadership development, employee wellbeing, community engagement, food security, responsible sourcing, environmental performance and transparent reporting. The Committee ensures that sustainability transitions from intention to implementation and remains aligned with strategic frameworks and regulatory developments.



GOVERNANCE PROCESS

DELEGATION OF AUTHORITY

The Board approved a delegation of authority framework that sets out matters specifically reserved for the Board, CEO, CFO and other senior executives.

The Board is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities.

The Group and the Board of Directors are committed to conducting business with honesty, integrity and accountability, while upholding the highest legal and ethical standards.

ETHICS

Our Code of Ethics guides employee conduct and supports a culture of uncompromising integrity by setting clear, non-negotiable standards of behaviour across key areas of the business. RCL FOODS' induction programme introduces new employees to the Group's ethics, values and business culture. All employees are required to acknowledge that they have read and understood the Code of Ethics and that any breach of its standards may result in disciplinary action, including dismissal. The Code of Ethics is available to all employees on the Group's intranet.

2026 KEY FOCUS AREAS

- Delivering targeted compliance and ethics training to strengthen ethical awareness and reinforce adherence to the Group's Code of Ethics
- Enhancing reporting on ethics and compliance training participation to improve visibility, accountability and oversight
- Maintaining oversight of conflict-of-interest declarations to support transparency and ethical decision-making

ANTI-BRIBERY AND CORRUPTION

RCL FOODS has a zero-tolerance approach to bribery, fraud and corruption. The Code of Ethics outlines the principles and standards of responsible conduct expected of the Group and all employees.

The Code prohibits the following:

- Cash gifts
- Giving or receiving gifts, loans, favours or any other benefit that could be perceived as influencing business, labour or Government-related decisions
- Political donations or contributions
- Engaging in activities that may create a conflict of interest between an employee's personal interests and the interests of the Group

As part of the Group's anti-fraud and anti-corruption programme, internal audits are conducted to assess the effectiveness of internal controls, including controls designed to reduce the risk of fraud.

From an information security and technology perspective, the Group's fraud prevention activities include, among others:

- Regular employee training on cyber security risks
- Email protection
- Network and perimeter protection
- Access controls for sensitive information
- Antivirus and malware protection, supported by appropriate patch management
- Ongoing monitoring of procurement and payroll activities

The Board recognises the importance of a confidential reporting mechanism for fraud and other risks. The Tip-offs Anonymous/Hayibo whistle-blowing hotline, administered by Deloitte, provides an anonymous and impartial toll-free channel for stakeholders to report fraud, statutory malpractice, crime and deviations from policy.

Procedures are in place to independently investigate reported matters and ensure appropriate follow-up action. In line with the Group's commitment to transparency and accountability, action is taken against employees and other parties found to have engaged in fraud, corruption or other misconduct, or to have breached Group policies. During the year under review, 75 allegations were received. All allegations were assessed and investigated in accordance with the Group's ethics and compliance framework.

Of these allegations, 17 were valid, with fraud/theft being the most common category, followed by breach of company policy. These matters were resolved, resulting in criminal charges, dismissals or disciplinary action against the relevant individuals.

Future focus areas include continuing to enhance the Group's compliance and ethics training programme, with emphasis on formal training and ongoing employee engagement across a broad range of relevant topics.



Refer to the King IV Application Register: Principle 2 for more detail on the Group's governance of ethics, available at <https://rclfoods.com/financial-results-and-reports-2026/>.

LEGAL COMPLIANCE

The Group is committed to the responsible management of its operations in accordance with applicable statutory and regulatory requirements. These obligations underpin the Group's compliance governance frameworks and legal compliance processes within each operating unit, which are designed to support awareness of applicable laws and provide the Board with assurance that compliance-related risks are appropriately identified, assessed, prioritised and managed. The Group maintains a risk-based approach to compliance management through its Regulatory Universe, which assists in identifying and monitoring key legislation and regulatory requirements applicable to its operations.

Defined responsibilities, accountabilities and reporting lines support the proactive identification, escalation and management of compliance risks. Management is responsible for implementing and maintaining appropriate compliance processes and controls across the Group, supported by legal, risk, compliance and assurance functions.

The Group continues to engage with its corporate legal advisers to monitor legislative developments and assess their potential impact on the business.

The combined assurance model supports the Risk Committee in monitoring the effectiveness of compliance management across the Group. This includes input from internal audit, risk and legal teams, as well as external assurance providers, with regular reporting to the Risk, Audit, and Social and Ethics Committees.

In 2026, key compliance focus areas included:

- Refining the Group's compliance approach to remain responsive to evolving legislation, supported by a refreshed Compliance Policy framework that recognises compliance as a core business imperative. The framework is underpinned by a Regulatory Universe that applies a risk-based methodology to identify, classify and prioritise key legislation impacting the organisation
- Formalising compliance structures to strengthen accountability, oversight and governance across the Group
- Continuing compliance-related communication, training and awareness initiatives across SHERQ and ethical compliance domains

Looking ahead, the Group will continue to enhance compliance monitoring and reporting capabilities, while strengthening policy management across all functions. The Board is satisfied that the Group's compliance governance arrangements provide an appropriate basis for identifying, monitoring and managing material compliance obligations and will continue to support RCL FOODS' commitment to ethical conduct, responsible corporate citizenship and sustainable value creation.

INTERNAL AUDIT FUNCTION

Internal audit is an independent assurance function that adopts a risk-based approach to provide objective assurance on the adequacy and effectiveness of the Group's governance, risk management and internal control processes. In fulfilling its mandate, internal audit considers risks that may affect the achievement of the Group's strategic objectives and evaluates the adequacy and effectiveness of the Group's governance processes, risk management framework and system of internal controls.

REMUNERATION REPORT

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PART 2: OUR REMUNERATION POLICY AND STRATEGY > 117

PART 3: IMPLEMENTATION REPORT > 124

PART 4: FAIR AND RESPONSIBLE REMUNERATION > 127

BEHIND EVERY YEAR'S PERFORMANCE, THERE IS A REWARD SYSTEM DESIGNED TO RECOGNISE WHAT MATTERS

Our remuneration approach connects performance, purpose and responsible reward, which creates value for our people, our business and our stakeholders.

PART 1: STATEMENT FROM THE CHAIRPERSON

CONTENTS

The Remuneration and Nominations Committee (Committee) is responsible for both remuneration matters as well as nominations matters. Dr Moumakwa chairs the Committee for remuneration matters, and Mr Steyn chairs for nomination matters.

This Remuneration Report is issued by the Committee as part of its oversight responsibilities relating to remuneration matters, and explains RCL FOODS' Remuneration Policy and its implementation for the 2026 financial year (2026). Our Remuneration Report is aligned with the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)* recommended practice and the JSE Listings Requirements, and presented in four parts:

PART 1: Statement from the Chairperson	114
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Dear shareholders,

It is my pleasure to present the Remuneration Report for the year ended June 2026.

The Committee remains committed to ensuring that remuneration supports the sustainable creation of shareholder value while attracting, motivating and retaining the talented individuals required to deliver the Group's strategy. During the year, our focus remained on strengthening the link between pay and performance, enhancing remuneration governance, advancing our pay equity agenda and ensuring that our reward frameworks remain relevant in a rapidly evolving business environment.

The year under review was characterised by a mixed operating environment across the Group, requiring disciplined execution, careful capital allocation and continued resilience from our people. Against this backdrop, the Committee remained focused on ensuring that remuneration outcomes appropriately reflected business performance, affordability and the long-term interests of shareholders.

The year also demonstrated the robustness of the Group's remuneration framework. The Committee carefully considered the outcomes generated by the approved short-term incentive (STI) and long-term incentive (LTI) frameworks and remains satisfied that they operated as intended. Outcomes continued to differentiate between annual performance delivery and sustainable long-term value creation, reinforcing a core principle of our remuneration philosophy: that reward should be earned through performance and aligned with shareholder outcomes over time.

While formula-driven performance measures remain fundamental, the Committee retains appropriate oversight and, where necessary, applies judgement to ensure that outcomes are fair, reasonable and aligned with the underlying performance and circumstances of the business. This disciplined approach is essential to maintaining remuneration outcomes that are credible, responsible and defensible.



PART 1: STATEMENT FROM THE CHAIRPERSON continued

The Committee also recognises that remuneration is not only a mechanism through which performance is rewarded, but also one of the ways in which organisational culture is shaped. Our remuneration structures are therefore designed to reinforce accountability, collaboration, responsible leadership and sustainable decision-making. We believe that remuneration should encourage behaviours that support long-term value creation while remaining consistent with the values and culture of RCL FOODS.

SOUTH AFRICA'S REMUNERATION CONTEXT

South African businesses continue to operate within a complex economic landscape characterised by modest economic growth, ongoing cost pressures, elevated unemployment levels and increased stakeholder expectations regarding fairness, transparency and responsible corporate behaviour. Against this backdrop, remuneration committees are increasingly required to balance affordability and sustainability with the need to remain competitive in the market for critical talent.

At RCL FOODS, we recognise that remuneration cannot be viewed in isolation from the broader socioeconomic environment in which we operate. Fair and responsible remuneration remain fundamental principles of our reward philosophy, and we continue to assess our remuneration frameworks through the lenses of competitiveness, internal equity, performance and long-term sustainability.

The Committee remains mindful of the diverse interests of shareholders, employees, customers and the communities in which we operate. A key responsibility of the Committee is to balance these interests appropriately when making remuneration decisions, ensuring that reward outcomes remain responsible, sustainable and aligned with the long-term success of the Group.

STRATEGIC REMUNERATION PRIORITIES AND ACHIEVEMENTS

During the year, the Committee continued its focus on enhancing the effectiveness, governance and transparency of the Group's remuneration architecture. This included ongoing oversight of incentive design, pay equity, market competitiveness, shareholder alignment and the continued maturation of remuneration governance across the Group.

STRENGTHENING ALIGNMENT BETWEEN PAY AND PERFORMANCE

A significant area of focus was the continued refinement of our STI and LTI frameworks. Following an independent review of the Group's incentive structures, the Committee concluded that the overall design remains appropriate and continues to support shareholder interests while providing meaningful incentives for management.

The Committee also reviewed the remuneration outcomes arising from the application of these frameworks during the year and remains satisfied that the plans operated as intended. The outcomes reinforced the principle that remuneration should appropriately reflect underlying business performance, affordability and long-term value creation.

The management profit share scheme and the Value Creation Plan (VCP) continue to provide an appropriate balance between short-term performance delivery and long-term shareholder alignment. These frameworks are designed to ensure that annual performance is rewarded responsibly, while longer-term value creation remains central to management's reward outcomes.

The year under review reinforced the importance of maintaining a framework capable of responding appropriately to differing business conditions. The Committee believes the outcomes demonstrated the strength of its design and its ability to differentiate

between varying levels of performance while maintaining alignment with long-term shareholder interests.

ATTRACTING AND RETAINING CRITICAL TALENT

The Committee remained mindful of ongoing competition for leadership, technical and specialist talent. The ability to attract, motivate and retain high-performing individuals remains critical to the successful execution of the Group's strategy, particularly in an environment where scarce skills, leadership depth and organisational agility remain key differentiators.

Accordingly, the Committee continues to review remuneration competitiveness, market positioning and reward design to ensure that RCL FOODS remains appropriately positioned to attract and retain critical talent. This is done while maintaining an appropriate balance between affordability, fairness, internal equity and shareholder expectations.

The Committee is satisfied that the Group's reward framework supports the attraction and retention of key talent while reinforcing a performance culture and the long-term sustainability of the business.

CONTINUED FOCUS ON PAY EQUITY AND RESPONSIBLE REMUNERATION

Pay equity remains a strategic priority for the Committee.

During the year, we continued to expand our analysis of remuneration outcomes across the organisation, using increasingly sophisticated reward analytics to better understand remuneration trends and identify opportunities for improvement. This work supports our commitment to equal pay for work of equal value and enables more informed remuneration decision-making.

While the Committee is encouraged by the progress made, we recognise that pay equity is a journey rather than a destination. Our focus therefore remains on ensuring that remuneration practices are fair, objective, transparent and defensible across the Group.

Responsible remuneration also requires consideration of the relationship between executive pay, broader employee outcomes and the socioeconomic environment in which the Group operates. The Committee remains committed to making decisions with appropriate sensitivity to this wider context.

ADVANCING SHAREHOLDER ALIGNMENT

The Minimum Shareholding Requirement (MSR) Policy remains a key governance mechanism through which Executive Directors align their interests with those of shareholders.

The Committee continues to monitor progress against the policy and is encouraged by the commitment demonstrated by participants. We believe that meaningful executive share ownership remains an important component of responsible remuneration governance and reinforces a long-term ownership mindset among Executive Directors.

This alignment is further reinforced through our incentive frameworks, which are intended to ensure that management shares meaningfully in value created for shareholders over time. This remains central to the Committee's approach to remuneration governance.

MATURING EMPLOYEE PARTICIPATION IN INCENTIVE SCHEMES

The staff level employee incentive framework, applicable to all operational staff (in both bargaining and non-bargaining units) who work within our various operations, continues to evolve and mature across the Group.

PART 1: STATEMENT FROM THE CHAIRPERSON continued

The Committee remains encouraged by the extent to which incentive participation has strengthened employees' understanding of their contribution to business performance. By creating a clear connection between operational performance and reward outcomes, these schemes reinforce accountability, engagement and a shared commitment to achieving business objectives.

Importantly, the flexibility of the scheme design allows incentive measures to be tailored to the specific operating realities of individual business units while remaining aligned with broader Group objectives. This balance is important in a diversified business such as RCL FOODS, where performance drivers may differ across operations but must still support a common Group strategy.

The Committee believes that broad-based participation in appropriate incentive arrangements supports a stronger performance culture and helps employees understand how their efforts contribute to the Group's success.

ENHANCING REMUNERATION GOVERNANCE AND TRANSPARENCY

The Committee remains committed to maintaining high standards of remuneration governance.

During the year, we strengthened governance processes, remuneration analytics and reporting capabilities across the Group. These enhancements improve transparency, support decision-making and help keep outcomes aligned to market practice and shareholder expectations.

The Committee also continued preparing for the implementation of the enhanced remuneration disclosure requirements arising from the recent amendments to the Companies Act. We welcome these developments as an opportunity to further strengthen transparency, accountability and stakeholder engagement on remuneration matters.

As the regulatory and governance landscape continues to evolve, the Committee remains focused on ensuring that RCL FOODS' remuneration practices reflect leading market standards and remain aligned with the principles of King IV.

SHAREHOLDER ENGAGEMENT

Constructive engagement with shareholders remains a cornerstone of our governance approach.

We value the feedback received from shareholders and other stakeholders and remain committed to maintaining an open and transparent dialogue on remuneration matters. Such engagement provides valuable insight and helps ensure that our remuneration framework continues to evolve in support of long-term value creation.

The Committee recognises that shareholder confidence is built through clear disclosure, responsible decision-making and demonstrable alignment between reward and business performance. We therefore remain committed to meaningful engagement on remuneration matters.

FOCUS AREAS FOR THE YEAR AHEAD

Looking forward, the Committee will continue to focus on:

- Maintaining an appropriate balance between affordability, competitiveness and fairness
- Continuing the evolution of our reward frameworks to support long-term value creation
- Strengthening the alignment between remuneration, performance, culture and responsible leadership
- Progressing our pay equity agenda through enhanced analytics and targeted interventions
- Monitoring executive shareholding and broader shareholder alignment outcomes
- Supporting the implementation of enhanced remuneration disclosure requirements
- Reviewing market competitiveness to ensure the attraction and retention of critical talent

- Continuing to assess the effectiveness of incentive arrangements across the Group
- Maintaining strong remuneration governance and transparent stakeholder engagement

CONSULTANTS

During the year, the Group participated in remuneration surveys conducted by independent market advisers and continued to use external benchmarking data as part of its remuneration review process. The Committee remains satisfied that all advisers engaged during the year acted independently and provided objective advice.

External benchmarking remains an important input into remuneration decision-making, but it is not applied in isolation. The Committee considers market data together with internal equity, individual performance, affordability, business context and broader stakeholder considerations.

ACHIEVEMENT OF POLICY OBJECTIVES

The Committee remains satisfied that the Group's Remuneration Policy supports its stated objectives of attracting, retaining and motivating talented employees while promoting responsible and sustainable remuneration outcomes.

The Committee is further satisfied that outcomes for the year were implemented in accordance with the approved Remuneration Policy and relevant governance requirements, and that the framework continues to support the Group's strategic objectives by reinforcing performance, accountability, fairness and long-term value creation.

FINAL THOUGHTS

Remuneration remains one of the most important tools available to an organisation to drive performance, reinforce culture and support long-term sustainability.

The Committee believes that the year under review demonstrated the resilience and robustness of the Group's remuneration framework. The framework continued to provide a clear link between performance and reward, recognised the delivery of business objectives and maintained alignment with long-term shareholder interests.

As a committee, we remain committed to ensuring that remuneration outcomes are fair, responsible and transparent. We also remain mindful that remuneration decisions must be considered in the broader context of the Group's performance, the experience of employees, the expectations of shareholders and the long-term sustainability of the business.

We believe the foundations established over a number of years position RCL FOODS well to continue evolving its reward practices in support of sustainable business success. Our focus remains on ensuring that remuneration supports the right behaviours, strengthens accountability and contributes meaningfully to the creation of sustainable value for shareholders, employees and all stakeholders.

On behalf of the Committee, I thank our shareholders for their continued trust and support.

Yours sincerely,

Dr Penelope Moumakwa
Chairperson of the Committee (Remuneration)



PART 2: OUR REMUNERATION POLICY AND STRATEGY

INTRODUCTION

GOVERNANCE

The Committee operates under the delegated authority of the Board and is well established. It plays a critical role in ensuring that remuneration is responsible and fair across the Group, and that disclosures are accurate, complete and transparent.

The Committee consists of four non-executive members and two permanent invitees (who are excluded from discussions pertaining to their own remuneration). These individuals have the requisite skills to bring sound business and ethical governance principles to discussions.

PM MOUMAKWA

Independent Non-executive
Chairperson of the Committee
for remuneration matters

GM STEYN

Independent Non-executive
Chairperson of the Committee
for nomination matters

DTV MSIBI

Independent Non-executive
Director

CPF VOSLOO

Non-executive Director

INVITEES TO THE MEETING

- PD Cruickshank Chief Executive Officer (CEO)
- DC Scott Chief Human Resources Officer

The Committee is responsible for:

- Assessing and approving the Group’s remuneration strategy
- Reviewing and approving the STI and LTI pay structures for Group executives and managers
- Agreeing on the positioning of Group executive pay levels and ensuring that they are comparable to market benchmarks
- Approving the overall cost of remuneration increases awarded
- Approving awards pursuant to the RCL FOODS LTI schemes
- Approving the STI and LTI targets for the forthcoming financial year
- Reviewing the executive succession plan
- Reviewing the Group’s talent and performance management practices

The Committee meets at least four times a year, and member attendance is reflected in the table below:

	Attendance
Current members	
PM Moumakwa (Chairperson)	5/5
DTV Msibi	4/5
GM Steyn	5/5
CPF Vosloo	5/5

REMUNERATION POLICY

Our remuneration strategy, guiding principles and framework have been developed in the context of the RCL FOODS’ business strategy, human resources strategy and organisational culture.

REMUNERATION STRATEGY

RCL FOODS seeks to remunerate and reward employees in a way that supports the achievement of the organisation’s strategy and goals:

- We seek to reward outputs and results rather than input and effort and to recognise quality leadership in the face of adversity and challenges
- We aim to attract, retain and develop valuable employees of the right calibre to create career progression and growth through learning, development opportunities and challenging jobs
- We aim to reward performance and innovation, recognising those who deliver outstanding work while consistently demonstrating our core values
- We want to engage our employees, so they choose to work for us rather than other organisations
- We aim to deliver market-related remuneration and benefits

GUIDING PRINCIPLES

Alignment to strategic objectives



The remuneration strategy and frameworks are developed to align with, support and reinforce the achievement of RCL FOODS’ purpose and strategy.

Non-discriminatory practices



Remuneration policies and practices are free from discrimination based on race, gender, sexual orientation, or ethnic or social origin.

Reward for performance



Remuneration practices enable and support a high-performance culture through mechanisms that reward individual and business performance.

Internal equity



Similar roles at the same level are remunerated within equal and reasonable pay ranges (equal pay for work of equal value). We will ensure fair differentiation for job responsibility and will apply reward principles consistently.

Competitiveness



We remunerate at competitive levels that enable the recruitment and retention of high-calibre employees with the right attitude, experience and skills set.

Openness and transparency



Remuneration management is transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

PART 2: OUR REMUNERATION POLICY AND STRATEGY continued

LINKING PAY TO OUR STRATEGY AND PERFORMANCE

FAIR AND RESPONSIBLE REMUNERATION

King IV recommends that companies should ensure that all employees are remunerated fairly, responsibly and transparently.

RCL FOODS applies the principle of fair pay based on the value of the job relative to other jobs of similar value (internal equity). Our Remuneration Policy follows the same fundamental principles across all levels of employees in the Group.

RCL FOODS promotes the elimination of discrimination in respect of remuneration by applying the principle of equal remuneration for work of equal value. Differences in remuneration are considered discriminatory if they are directly or indirectly based on race, sex, gender, disability or any other arbitrary ground.

We review our internal pay scales annually and consistently apply them to all our appointments and during our annual remuneration review process.

The guidelines for new-hire appointments and offers assist human resources and line managers in ensuring that all internal and external offers are equitable.

ELEMENTS OF REMUNERATION

COMPONENT	PURPOSE AND LINK TO STRATEGY	OPERATION
Total guaranteed pay (TGP)	To attract and retain the best talent	- Reviewed annually in July, with increases effective 1 October and delivered in 12 payments - Reflects the individual's experience, skills and the scope and nature of their role - Internal and external equity - Provides competitive pay and rewards performance
STI	- Drives a high-performance culture - Motivates and rewards achievement of business targets - Keeps employees focused on the business's defined short-term objectives - The financial measures are designed to drive our growth strategies while focusing on improving operating efficiencies	- Variable – usually paid in cash in September each year for performance during the prior financial year - Directly linked to business performance - Annually reviewed to ensure measures and weighting drive the right behaviours and support the business strategy
LTI	- Drives sustainable longer-term performance - Retains key skills by linking performance to long-term value creation - Encourages loyalty, aligning the interests of executives to those of the Group and its shareholders - Wealth creation	- Variable in the form of annual allocations that vest over three years - Annually reviewed to ensure measures and weighting drive the right behaviours and support the business strategy
Retirement funding	Provides financial security when an employee retires	- All contributions are included in the TGP - Pension and provident funds - Financial protection in the event of illness, disability or death - Flexible contribution rates
Flexible benefits	- Offer employees choices to meet personal needs - Position RCL FOODS as an employer of choice - Take an integrated approach to drive employee engagement	- Costs included in TGP - Provide employees with benefits suitable to their individual needs - Provide access to quality health and wellness benefits - Address diverse employee needs across differing cultures and age groups
Other benefits	Position RCL FOODS as an employer of choice	- Access to staff shops, including employee discounts - Cellphone allowance - Management is entitled to uncapped annual leave - Enhanced parental leave benefits - Employee wellbeing and financial wellness benefits - Annual executive health checks

PART 2: OUR REMUNERATION POLICY AND STRATEGY continued

GUARANTEED REMUNERATION

The Group applies a total cost to company (TCTC) pay approach to senior staff and management and a basic pay plus benefits approach to other levels of staff. Guaranteed remuneration is set with reference to the scope and nature of the individual's role and benchmarked against the market to ensure relevance and competitiveness. Pay scales, aligned with our desired market position, provide guidance to human resources and line managers with respect to the positioning of guaranteed remuneration, ensuring internal equity and market alignment.

ANNUAL SALARY REVIEWS

The annual salary review process remains a key mechanism through which RCL FOODS maintains market competitiveness while balancing affordability and internal equity.

In determining annual salary review budgets, the Committee considers a range of factors including inflationary pressures, labour market trends, external benchmarking data, business performance, affordability and workforce sustainability.

Individual salary increases are determined with reference to performance, market positioning, internal equity and criticality of skills. This differentiated approach supports the Group's philosophy of rewarding performance while ensuring remuneration remains equitable and sustainable.

The Committee is satisfied that the annual salary review process continues to support the attraction, retention and motivation of high-performing employees across the Group.

BENEFITS

RETIREMENT FUNDS

Membership of a Group-approved retirement fund is compulsory for all employees. RCL FOODS has two destination retirement funds: the RCL FOODS Pension Fund and the RCL FOODS Provident Fund. These closed funds are guided by a Company-appointed independent principal officer. The funds aim to provide retirement funding, temporary and permanent disability cover, life cover and funeral benefits to employees.

- Employees on TCTC remuneration packages (management) may elect to contribute a variable percentage of their pay as an employer contribution to the fund, with each fund dictating a minimum contribution level
- Senior employees on TCTC remuneration packages and those on basic pay plus benefits packages have set employee and employer contribution percentages

MEDICAL AID

Membership of one of the Group's designated medical aid schemes is compulsory for management and voluntary for staff. Employees are strongly encouraged to join a medical aid scheme within their first three months of employment. RCL FOODS recognises that the health and wellness of its employees is paramount in ensuring a sustainable and profitable organisation.

We partnered with Discovery Health and Makoti Medical Aid to offer employees healthcare options they can afford. The introduction of Makoti Medical Aid in 2016 has enabled employees who are budget-sensitive to afford private healthcare.

- For employees on TCTC remuneration packages (management and staff), employee and employer contributions to medical aid are part of the TCTC
- Staff on basic pay plus benefits packages receive an employer subsidy

ELEMENT	TYPE OF REMUNERATION	DESCRIPTION	ELIGIBILITY	CHANGES FOR 2027
Total guaranteed remuneration	Fixed	• TCTC for senior staff and management • Basic pay plus benefits for other levels of staff	All employees	Remains unchanged for 2027
STI	Variable	• Management profit share scheme	CEO, executives and managers	Remains unchanged for 2027
LTI	Variable	• Share appreciation rights (SARs) – legacy	CEO, executives	The last allocation of SARs was made in November 2021
		• VCP – current annual plan	CEO, executives	Remains unchanged for 2027

PART 2: OUR REMUNERATION POLICY AND STRATEGY continued

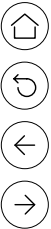
STIs

The salient features and functioning of the RCL FOODS STI (the management profit share scheme) are tabulated below:

RCL FOODS GROUP ANNUAL PROFIT SHARE SCHEME 2026

ELEMENT	DESCRIPTION
Purpose	- Ensures transparent remuneration for all eligible employees through a documented and measurable incentive - Entrenches a remuneration philosophy of “pay for performance”, which motivates employees to achieve performance targets resulting in variable pay - Drives and rewards superior individual performance, which helps the Group achieve its long-term strategy and performance targets, ensuring line of sight between business and individual performance and incentives - Aligns the objectives of all stakeholders and management
Overview	STI payments are discretionary and based on achieving financial and strategic measures.
Participation	The CEO, executives and managers participate in the annual profit share scheme.
Operation and performance conditions	The STI scheme operates as follows: - A preliminary bonus pool is calculated as a percentage (a rate of share) of profit before tax, before IFRS 9 adjustments on commodity positions, charges related to LTI schemes and bonus cost (PBT). - This preliminary bonus pool is modified based on return on invested capital (ROIC) achievement, upward or downward, between 80% and a maximum of 120%, based on threshold, target and stretch ROIC performance, to produce a final bonus pool. Linear interpolation applies between levels of ROIC achievement. - The final bonus pool is distributed discretionarily. The formula for calculating the final bonus pool is: Final bonus pool = [PBT x rate of share] x ROIC modifier Achievement below the threshold ROIC target will suspend the formal bonus pool calculation, and any bonus awarded will be at the sole discretion of the Committee. The rate of share is pre-approved by the Committee.
Individual performance	Individual performance determines the distribution of the profit pool among executives and managers. Key performance targets and areas of focus are set for all participating employees annually. The actual profit share allocation awarded to an individual manager is determined by achievement of targets, business results and positively demonstrating the Group’s values. There is no automatic entitlement to the profit share bonus, as discretion may be applied by either the Committee or management. For the CEO and senior executives, management will recommend the disbursement of the profit share bonus for each employee. The Committee will retain discretion to adjust management’s recommendations.

ELEMENT	DESCRIPTION								
Settlement	Payments are made in September each year.								
Deferral	The profit share bonus payouts of the CEO and executives are subject to the deferral of a portion if the calculated STI exceeds an agreed percentage of annual TCTC. The deferred bonus is determined as any part of the profit share bonus that exceeds the percentages in the table below: <table><tr><th>AUTHORITY LEVEL</th><th>% of annual TCTC</th></tr><tr><td>CEO</td><td>170</td></tr><tr><td>Senior executives¹</td><td>120</td></tr><tr><td>Executives²</td><td>80</td></tr></table> ¹ Senior executives include officers and divisional Managing Directors. ² Executives include divisional Operating Directors. If the deferral mechanism is applied, any part of the profit share bonus that exceeds the agreed percentage of annual TCTC will be deferred and paid to the executive 12 months after payment of the initial bonus. The rules of the profit share scheme contain termination provisions that govern payments made to employees who leave the Group’s employ either as ‘good leavers’ (no-fault terminations) owing to death, ill health, disability, injury, retrenchment, retirement or the sale of a subsidiary company, or ‘bad leavers’ (fault terminations) owing to resignation or dismissal due to misconduct, poor performance, dishonest behaviour, fraudulent conduct or abscondment. In the case of a good leaver, the individual’s profit share allocation will be <i>pro-rated</i> for the period they were employed by the Company.	AUTHORITY LEVEL	% of annual TCTC	CEO	170	Senior executives ¹	120	Executives ²	80
AUTHORITY LEVEL	% of annual TCTC								
CEO	170								
Senior executives ¹	120								
Executives ²	80								
Termination of employment	Bad leavers forfeit their right to any share of the profit share pool.								



PART 2: OUR REMUNERATION POLICY AND STRATEGY continued

LTIs

LONG-TERM INCENTIVES

VALUE CREATION PLAN

The LTI for making annual awards to executives and senior management

SARs SCHEME

A discontinued legacy LTI plan (although some outstanding awards remain unvested/unexercised)

CONDITIONAL SHARE PLAN

An LTI plan which remains open but is only used in extraordinary circumstances where a strategic need arises, on an *ad hoc* basis

VALUE CREATION PLAN

The operation of RCL FOODS' VCP is below:

ELEMENT	DESCRIPTION								
Purpose	The VCP aims to incentivise eligible participants to drive financial measures linked to value creation, encourage a long-term focus on sustainable growth and attract and retain suitably skilled and competent personnel. In future, we expect VCP awards to be granted to address retention concerns and drive strategic growth initiatives. As VCP awards are linked to achieving a minimum growth hurdle, the structure aligns with the King IV principle of pay for performance. To ensure adequate flexibility, the Committee has discretion to apply additional performance conditions that it deems appropriate.								
Overview	The VCP has the following high-level salient features: • The VCP tracks growth in intrinsic value (rather than share price movement) • Intrinsic value is quantified as business value (i.e. headline earnings x industry multiple) • The VCP award will true up and down with the growth/contraction in intrinsic value (i.e. growth adjustment factor) over the vesting period and may be subject to specific performance conditions (such as meeting a minimum intrinsic value growth hurdle or other appropriate performance criteria – jointly referred to as the performance adjustment factor) • From the last awards granted to participants, ESG targets have also been included								
Participation	Executives and senior management, with other employees on a special, <i>ad hoc</i> basis.								
Allocations	VCP allocations are made annually or when retention/attribution risks apply. VCP allocations may be made where the need to drive a strategic growth initiative applies. Allocations are made as a percentage of a participant's TCTC, as follows: <table> <tr> <th>LEVEL OF EMPLOYEE</th><th>VCP allocation as a percentage of TCTC</th></tr> <tr> <td>Executives</td><td>50% to 100%</td></tr> <tr> <td>Senior management</td><td>25% to 50%</td></tr> <tr> <td>Key talent</td><td>15% to 25%</td></tr> </table>	LEVEL OF EMPLOYEE	VCP allocation as a percentage of TCTC	Executives	50% to 100%	Senior management	25% to 50%	Key talent	15% to 25%
LEVEL OF EMPLOYEE	VCP allocation as a percentage of TCTC								
Executives	50% to 100%								
Senior management	25% to 50%								
Key talent	15% to 25%								

ELEMENT	DESCRIPTION
Calculation of award outcomes	The calculation of a VCP award comprises two steps: 1. VCP initial allocation = TCTC x VCP allocation % 2. VCP final award = VCP initial allocation x performance condition vesting % (i.e. performance adjustment factor) x [1 + intrinsic value growth over the vesting period (i.e. growth adjustment factor)]
Performance conditions	VCP aims to track intrinsic value growth in RCL FOODS. Headline earnings and ESG targets (from the 2026 VCP awards) are used as the performance condition to determine overall business value.
Vesting	A vesting period of three years applies. Upon lapsing of the three-year period and where a participant has remained employed for the duration of the vesting period, and the extent to which performance conditions have been met, the award will vest and the participant will be entitled to settlement to the value of the vested award. If the performance conditions have not been met, the award will not vest, and the participant will not be entitled to any settlement. The VCP has a vesting cap of 200% of TCTC for executives and prescribed officers.
Settlement	VCP awards are settled in cash, subject to meeting the specified performance conditions.
Settlement cap	The following settlement caps apply: Executives and prescribed officers: 3 x TCTC Senior management: 3 x award value
Termination of employment	The rules of the VCP contain termination provisions that govern payments made to employees who leave the Group's employ either as good leavers (no-fault terminations) owing to death, ill health, disability, injury, retrenchment, retirement or the sale of a subsidiary company, or bad leavers (fault terminations) owing to resignation or dismissal due to misconduct, poor performance, dishonest behaviour, fraudulent conduct or abscondment, etc. In the case of a good leaver, the individual's VCP award will vest early, <i>pro-rated</i> for the number of months served in the performance period and the extent to which performance has been achieved by the time of termination of employment. The portion of the award which does not vest will be forfeited. Bad leavers forfeit their right to the VCP award.

PART 2: OUR REMUNERATION POLICY AND STRATEGY continued

SARs SCHEME

This discontinued legacy LTI plan is no longer used, although some outstanding awards remain unvested/unexercised. The SARs scheme provided selected executives with entitlement to receive RCL FOODS ordinary shares. This structure is being phased out, with the final allocation of SARs awards having been made in November 2021.



For details of unvested SARs awards to the Executive Directors, refer to page 125.

CONDITIONAL SHARE PLAN

The Group only uses the Conditional Share Plan (CSP) *ad hoc*, to make allocations in circumstances such as the need to appoint or retain key Senior Executives, and there are currently no active CSP awards.

In terms of the CSP, participants receive a conditional share award on a given award date. If they remain employed by the Group over the vesting periods (usually three years) and meet specified performance criteria (determined at the time of award), RCL FOODS' shares will be settled to the participants upon vesting. Participants will have no shareholder or dividend rights before settlement.

DIRECTORS' REMUNERATION

The directors are appointed to bring competencies and experience appropriate to achieving the Group's objectives and ensuring that the business is aligned with shareholders' interests.

All directors are employed on contracts that can be terminated by mutual agreement with six months' notice. None of the directors' employment contracts provide for trigger payments upon termination of employment, whether in terms of a restraint of trade or otherwise.

BENCHMARKING

We use industry-specific benchmarks to ensure we apply the right pay mix and competitively remunerate our directors and executives. Fair and competitive rewards are vital to being an employer of choice. The committee sets the remuneration and guaranteed pay of directors and executives by looking at peer group data from other fast-moving consumer goods companies of similar market capitalisation and revenue.

RCL FOODS subscribes to the Remchannel and Deloitte Top Executive remuneration surveys. We consolidate remuneration information to ensure we have a comprehensive view of remuneration across different industries and an understanding of how to appropriately and competitively reward our directors and executives.

Benchmarking for directors in RCL FOODS is done for all elements of targeted remuneration, namely TGP, target STI and target LTI. For directors, RCL FOODS targets the 75th percentile of the market for guaranteed pay and the 75th percentile of the market for guaranteed pay plus STI. We benchmark the CEO, CFO and directors' remuneration against industry-specific comparators, information from peer group disclosure and Deloitte's Top Executive remuneration survey.

Accurate benchmarking further reinforces our remuneration principles to attract, retain and motivate executives of the highest calibre which, in turn:

- Aligns their remuneration with shareholder interests
- Enhances sustainability
- Follows best practice, with a holistic approach to deliver fair and responsible remuneration

When determining the salary for a director or Executive, we consider:

- Job grade: RCL FOODS uses the PwC evaluation system, a global job evaluation system that correlates with all the major job evaluation systems
- Job-specific competence and skills and the marketability and scarcity of the skills
- Industry knowledge and experience
- Their contribution to achieving the Group's strategy

SIGN-ON AND RETENTION BONUSES

Sign-on and retention arrangements are used only in exceptional circumstances where there is a demonstrable business need to attract or retain individuals with critical skills, institutional knowledge or scarce capabilities.

Any such arrangements are carefully assessed against market practice, affordability and governance requirements and require approval in accordance with the Group's delegated authority framework.

The committee remains satisfied that retention mechanisms continue to be used judiciously and only where they support the long-term interests of the business and its shareholders.

MALUS AND CLAWBACK

The Group's Malus and Clawback Policy remains an important mechanism for reinforcing accountability and responsible remuneration practices.

The policy enables the Board and committee to reduce unvested awards or recover remuneration already paid where prescribed trigger events occur, including circumstances involving misconduct, material financial restatement, significant governance failures or other defined events.

The committee reviewed the application of the policy during the reporting period and confirmed that no trigger events occurred which would necessitate the application of malus or clawback provisions.

PAYMENTS ON TERMINATION OF OFFICE

RCL FOODS' policy and contracts of employment do not provide for any *ex gratia* payments to Executive Directors or prescribed officers upon termination of office, other than those payments which are prescribed in terms of the provisions of the Labour Relations Act.

MSR

RCL FOODS introduced an MSR Policy for its Executive Directors, namely the CEO and CFO.

The purpose of the MSR Policy is to encourage alignment of the interests of Executive Directors with the long-term interests of the Company's shareholders. The policy aims to build an ownership focus and a long-term commitment to the Company by defining minimum levels of ownership of RCL FOODS ordinary shares required to be acquired and maintained by the Executive Directors.

The CEO is required to accumulate and maintain, for the duration of their position, a minimum shareholding equivalent to 200% of their annual TGP, defined as 'the total annual guaranteed cost to the Company of employing the Executive Director'. The CFO is required to accumulate and maintain a minimum shareholding equivalent to 100% of their annual TGP for the duration of their employment.

The minimum shareholding is to be achieved by the fifth anniversary of the date that the CEO and CFO are appointed to their positions (for new Executive Directors) or from the date of commencement of this policy (for existing Executive Directors).

PART 2: OUR REMUNERATION POLICY AND STRATEGY continued

Once the MSR is reached, it must be maintained for the period the Executive Director holds their position.

The shares that count towards the MSR are all ordinary shares in RCL FOODS that the Executive Director owns in their own name or in the name of a relevant personal investment vehicle.

Participants may satisfy their MSR by holding shares outright, which:

- Were purchased with their own after-tax funds
- Have vested and exercised in terms of the Company's LTI plans
- Were acquired on-market for the benefit of the Executive Director in lieu of them receiving a prescribed minimum defined cash portion of any annual STI and LTI payment

To incentivise and provide timely support for the achievement of the MSR, a prescribed minimum of 20% of the Executive Director's gross annual STI and LTI will automatically be settled by means of ordinary shares, which will be purchased for the benefit of the participants. The purchase will take place in consultation with the Executive Director within two months after an STI and/or LTI (as the case may be) has been finally awarded, without reference to the Executive Director, subject only to the JSE's approval if such award occurs during a prohibited period.

The prescribed minimum portion of annual STI and LTI payments will only apply until the Executive Director participants have met the MSR.

To calculate whether the MSR has been met, the value of the shareholding will be based on either (a) the initial financial commitment for shares that have been purchased, or (b) the market value of the shares at the time they are delivered pursuant to the Share Appreciation Rights (SAR) scheme:

- Initial financial commitment is calculated as the original purchase price
- Market value will be determined with reference to the volume-weighted average price of an RCL FOODS share for the five days prior to the date of delivery of the shares

The committee will annually review each Executive Director's shareholding to assess progress towards achieving the MSR and compliance with this policy. This review will factor in the value of the shareholding as outlined in the paragraph above and the Executive Director's TGP at the time of the review.

Approval to dispose of shares must be sought from the Chairman of the Board of RCL FOODS and otherwise in accordance with the RCL FOODS share trading policy.

Any disposal of shares is prohibited where:

- The Executive Director does not satisfy the MSR
- Immediately after the disposal, the Executive Director ceases to meet the MSR

There may be instances where compliance with this policy would cause or contribute to severe financial hardship or could prevent compliance with a court order or meeting of statutory obligations (e.g., tax compliance). In such circumstances, an exception to this policy is permitted if approved by the committee in its sole discretion.

NON-EXECUTIVE DIRECTORS' FEES

The Board remains committed to ensuring that Non-executive Directors are appropriately remunerated for the experience, expertise and governance oversight they provide to the Group.

Non-executive Director fees are periodically benchmarked against relevant market comparators to ensure they remain competitive and aligned with market practice. The committee considers the time commitments, responsibilities, complexity and risk exposure associated with each role when recommending fee adjustments.

Consistent with market practice and good governance principles, Non-executive Directors do not participate in any STI or LTI arrangements and receive fees only for their services as directors.

Following consideration of benchmarking outcomes and the wider remuneration environment, the Committee recommended the fee adjustments reflected on page 126 for shareholder approval.



Refer to page 126 for the fee structure for 2027.



PART 3: IMPLEMENTATION REPORT

GUARANTEED PAY INCREASES

We use industry and country-specific benchmarks to ensure RCL FOODS applies the right pay mix and competitively remunerates all its employees. Fair and competitive rewards are crucial to attracting, retaining and motivating talent and being an employer of choice. The Committee sets the remuneration of the directors by looking at the peer group data of listed companies of similar size.

RCL FOODS subscribes to remuneration surveys (Remchannel and Deloitte Top Executive surveys). We consolidate this information to ensure that we have a comprehensive view and understanding of remuneration across the industry and how to reward our employees appropriately and competitively.

Effective October 2025, the Committee approved an overall salary increase mandate of 6.0% for directors, managers and non-bargaining unit employees.

STI OUTCOMES FOR 2026

The Committee reviewed the annual STI outcome for the 2026 financial year against the approved performance framework. The STI scheme is primarily driven by PBT and ROIC, with ROIC serving as a key gatekeeper and modifier in determining whether an STI pool is generated.

For 2026, the Group achieved an STI ROIC outcome of 9.1% after applying the adjustments permitted under the scheme rules and approved by the Committee. This outcome was below the threshold ROIC target of 10.5% approved at the beginning of the performance year. In accordance with the scheme rules, no STI pool was generated for 2026.

In reaching its decision, the Committee considered management’s assessment of the year-end results, including adjustments applied in terms of the STI rules, the treatment of certain corporate activity costs associated with the Martin & Martin acquisition and the impact of late receipts and payments as a result of reporting date cut-off on ROIC at year-end. Following its review, the Committee concluded that the Group had not achieved the minimum performance threshold required for STI participation and accordingly determined that no STI awards would be payable in respect of the 2026 financial year.

Accordingly, no annual STI awards were earned by the CEO, CFO or any prescribed officer for the 2026 financial year. This outcome demonstrates the direct alignment between executive reward and Company performance, consistent with RCL FOODS’ pay-for-performance philosophy.

Position	2026 STI outcome
CEO	No STI payable
CFO	No STI payable

LTI AWARDS GRANTED

The VCP is the Group’s LTI scheme and is designed to align executive and senior management rewards with sustained value creation for shareholders over a three-year performance period. The vesting cycle of the 2024 VCP award concluded at the end of the 2026 financial year. Following a review of the vesting outcome, the Committee approved a VCP payout of R44,6 million.

The VCP measures performance based on growth in enterprise value (EV) over the three-year performance period relative to targets approved by the Committee at the commencement of the award. For the 2024 award, a target EV of R13,0 billion was established. The average actual EV achieved over the 2024 to 2026 performance period was R15,7 billion, representing growth of 20.3% above target.

In determining the final outcome, the Committee approved a number of adjustments to ensure a fair and consistent comparison between the target and actual EV outcomes. These included adjustments relating to:

- IFRS 9 fair value accounting impacts
- The Sugar special levy
- Acquisition-related corporate activity costs
- Financing impacts associated with the Rainbow and Vector Logistics corporate transactions undertaken during the performance period

These adjustments were applied consistently to ensure a like-for-like assessment of performance against the original targets approved by the Committee.

The vesting outcome was determined using two performance measures:

Performance measure	Outcome
Average actual EV relative to target EV (growth factor)	20.3%
Compound annual growth rate in EV	6.3%
Resulting performance factor vesting level	41.1%

Based on the approved methodology, the growth factor increased the value of vested awards, while the performance factor determined the proportion of that value eligible to vest. Following the application of both measures, the Committee approved a payout of R44,6 million, representing 49.4% of remaining vested awards after forfeitures.

The Committee is satisfied that the outcome appropriately reflects the level of long-term value created over the three-year performance cycle and remains aligned with the Company’s pay-for-performance philosophy.

EXECUTIVE DIRECTOR VCP OUTCOMES

The value of awards vesting in respect of Executive Directors is disclosed in the single-figure remuneration table contained in this report.



PART 3: IMPLEMENTATION REPORT continued

TABLE OF LTI AWARDS

The LTI awards and related details for each Executive Director and prescribed officer are set out below, with their indicative fair values and number of rights at year-end.

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

SARs awarded to Executive Directors and unexpired or unexercised as at June 2026 are as follows:

Individual	Award price at grant date Rand	Adjusted award price post-unbundling Rand	Rights at June 2025	Rights exercised during the year	Exercise price of shares Rand	Rights forfeited during the year	Rights at June 2026	Fair value of rights awarded ¹ R'000	Rights exercisable at June 2026
PD Cruickshank	16.97	11.90	178 515			(178 515)			
	9.93	6.96	469 029	(469 029)	8.39				
	8.55	5.99	688 952				688 952	1 564	688 952
	12.65	8.87	2 295 346				2 295 346	11 524	1 514 928
Sub-total			3 631 842	(469 029)		(178 515)	2 984 298	13 088	2 203 880
RH Field	16.97	11.90	342 157			(342 157)			
	8.55	5.99	390 030				390 030	885	390 030
	12.65	8.87	670 874				670 874	3 368	330 431
Sub-total			1 403 061			(342 157)	1 060 904	4 253	720 461
Total			5 034 903	(469 029)		(520 672)	4 045 202	17 341	2 924 341

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.



PART 3: IMPLEMENTATION REPORT continued

SINGLE-FIGURE REMUNERATION

The remuneration received or receivable by Executive Directors and prescribed officers of RCL FOODS during the year is tabulated below as a single figure of remuneration, in line with King IV’s recommended standards:

Financial year	Title	Name	TGP R’000	STI* R’000	LTI** R’000	Total R’000
2026	CEO	PD Cruickshank	9 707	12 329	6 015	28 051
	CFO	RH Field	7 038	5 800	5 622	18 460
2025	CEO	PD Cruickshank	9 202	10 500		19 702
	CFO	RH Field	6 692	5 170		11 862
* Bonus payments made in 2026 relate to the 2025 financial year. No amount has been accrued for the 2026 financial year (2025: R18,1 million).						
** LTI VCP payments were made in 2026 on the vested portion of the scheme as at 29 June 2025, relating to 2023 awards. An amount of R6,7 million (CEO: R3,7 million and CFO: R3,0 million) has been accrued as at 28 June 2026, in respect of the expected settlement on the vested portion of the 2024 awards. Refer to the LTI section for further details.						

NON-EXECUTIVE DIRECTORS’ REMUNERATION

RCL FOODS annually benchmarks Non-executive Directors’ remuneration against fees published by a peer group of companies and using the PwC Non-executive Directors Practices and Fees Trends Report. The data used in the report is from PwC’s internal resource base and 285 active companies registered on the main board of the JSE. The report covers general points of relevance, interest and challenges facing South African boards, including topics such as regulatory updates, gender and diversity composition of boards and global remuneration practices.

The Committee agreed that Non-executive Directors’ fees should increase in line with the overall budget increase for management and staff salaries, as this is our historic practice. It was therefore agreed that fees would be increased by 4%.

Committee	Committee role	2026 Retainer R	2027 Retainer R
Main Board	Chair	1 279 235*	1 330 404
	Member	443 409	461 146
Audit	Chair	407 157	423 443
	Member	185 982	193 422
Risk	Chair	306 325	318 578
	Member	136 751	142 221
Social and Ethics	Chair	211 692	220 160
	Member	94 815	98 608
Remuneration and Nominations	Chair	306 325	318 578
	Member	136 751	142 221
* All-inclusive fee (inclusive of participation in any Board committees).			

MSR

The table below reflects the shareholding for the Company’s Executive Directors as at 28 June 2026:

	CEO	CFO
MSR as a percentage of TGP	200%	100%

	Shares	Shares
Total shareholding in shares at 28 June 2026	1 646 933	2 285 915
MSR in shares*	2 494 762	902 860
Gap to MSR in shares*	847 829	(1 383 055)
* Using a five-day volume-weighted average price of R7.87 at end June 2026.		

	R	R
Total shareholding in Rand	16 130 628	23 617 590
MSR in Rand	19 633 776	7 105 511
Gap to MSR in Rand	3 503 148	(16 512 079)

SIGN-ON AND RETENTION BONUSES AND PAYMENTS ON TERMINATION OF OFFICE

No sign-on, retention bonuses or payments upon termination of office were made to any Executive Director or prescribed officer.



PART 4: FAIR AND RESPONSIBLE REMUNERATION

INTRODUCTION

The Committee is committed to ensuring that remuneration practices across RCL FOODS are fair, responsible, transparent and aligned with the long-term interests of the Company, its employees and shareholders.

As part of its governance responsibilities, the Committee annually reviews remuneration outcomes across the workforce to assess internal pay equity, monitor remuneration distribution trends and evaluate alignment with the Group's remuneration philosophy. This review forms an integral component of the Committee's oversight responsibilities and supports compliance with the remuneration disclosure requirements contemplated by sections 30A and 30B of the Companies Amendment Act. The Act requires disclosure of the remuneration of the highest-paid and lowest-paid employees, average remuneration, median remuneration and the ratio between the aggregate remuneration of the highest-paid 5% and lowest-paid 5% of employees.

The Committee recognises that remuneration is a critical component of the employee value proposition and plays an important role in attracting, retaining and motivating the diverse talent required to execute the Group's strategy and deliver sustainable long-term performance.

METHODOLOGY

The remuneration distribution analysis was undertaken using employee remuneration data derived from the Group's payroll and human capital management systems for the financial year ended 28 June 2026.

The analysis included all eligible employees within the reporting population and was performed using annualised total remuneration, comprising salary, benefits, employer contributions and incentive remuneration where applicable. Consistent methodologies were applied across the workforce to ensure comparability and integrity of the information reported.

The Committee reviewed statutory remuneration distribution measures together with broader pay equity indicators to assess remuneration outcomes across the Group and to monitor remuneration trends over time.

WORKFORCE REMUNERATION PROFILE

RCL FOODS employs a diverse workforce across a broad range of occupations and skill levels, including agricultural, manufacturing, logistics, technical, professional, commercial and leadership roles.

Remuneration outcomes across the Group are influenced by a range of legitimate business factors, including:

- Job complexity and scope
- Levels of responsibility and accountability
- Qualifications and experience
- Scarcity of critical skills
- Individual and business performance
- Market competitiveness
- The operational nature of many of the Group's businesses

Consequently, remuneration differentials are assessed within the context of the Group's workforce profile, operating model and market positioning and should not be interpreted in isolation.

STATUTORY REMUNERATION DISTRIBUTION METRICS

The Committee reviewed the following remuneration distribution measures for the reporting period:

Metric	2026
Highest-paid employee remuneration	R28 050 881
Lowest-paid employee remuneration	R78 104
Ratio of highest-paid to lowest-paid employee remuneration	359:1
Average employee remuneration	R449 711
Median employee remuneration	R222 519
Ratio between the aggregate remuneration of the highest-paid 5% and lowest-paid 5% of employees	27:1
Employee population included in the analysis	9 465

The average remuneration exceeded the median remuneration, reflecting the presence of specialist, management and executive roles within the Group alongside a substantial operational workforce.

The ratio of 359:1 between the highest-paid and lowest-paid employee reflects the breadth of roles across the organisation and provides one perspective on remuneration distribution. However, the Committee considers the statutory ratio between the highest-paid 5% and lowest-paid 5% of employees to be a more meaningful indicator of remuneration distribution across the workforce as it reflects remuneration outcomes across broader employee populations and reduces the influence of individual outliers.

For the year under review, the ratio between the aggregate remuneration of the highest-paid 5% of employees and the aggregate remuneration of the lowest-paid 5% of employees was 27:1. This measure was reviewed together with other remuneration distribution indicators to assess the fairness and sustainability of remuneration outcomes across the Group.

ASSESSMENT OF FAIR AND RESPONSIBLE PAY

The Committee remains committed to promoting fair and responsible remuneration practices throughout the organisation.

In assessing remuneration fairness, the Committee does not rely on any single metric. Instead, remuneration outcomes are considered together with workforce demographics, organisational structure, employment practices, market benchmarking data, talent requirements and broader business objectives.

The Committee recognises that the Group's workforce profile, particularly within agricultural, manufacturing and operational environments, has a significant influence on remuneration distribution measures. Pay-gap metrics therefore need to be interpreted within the context of the Group's operating model and workforce composition.

The Committee is satisfied that remuneration outcomes remain aligned with the Group's remuneration philosophy and support an appropriate balance between competitiveness, affordability, performance and fairness.



PART 4: FAIR AND RESPONSIBLE REMUNERATION continued

REMUNERATION PHILOSOPHY

The Group's remuneration philosophy seeks to:

- Attract and retain high-performing employees
- Reward performance and value creation
- Ensure competitive remuneration relative to relevant labour markets
- Promote fair and equitable remuneration outcomes
- Support employee wellbeing and engagement
- Align employee and shareholder interests through sustainable long-term value creation

The Committee believes that the Group's remuneration framework continues to support these objectives while enabling RCL FOODS to remain competitive in the markets in which it operates.

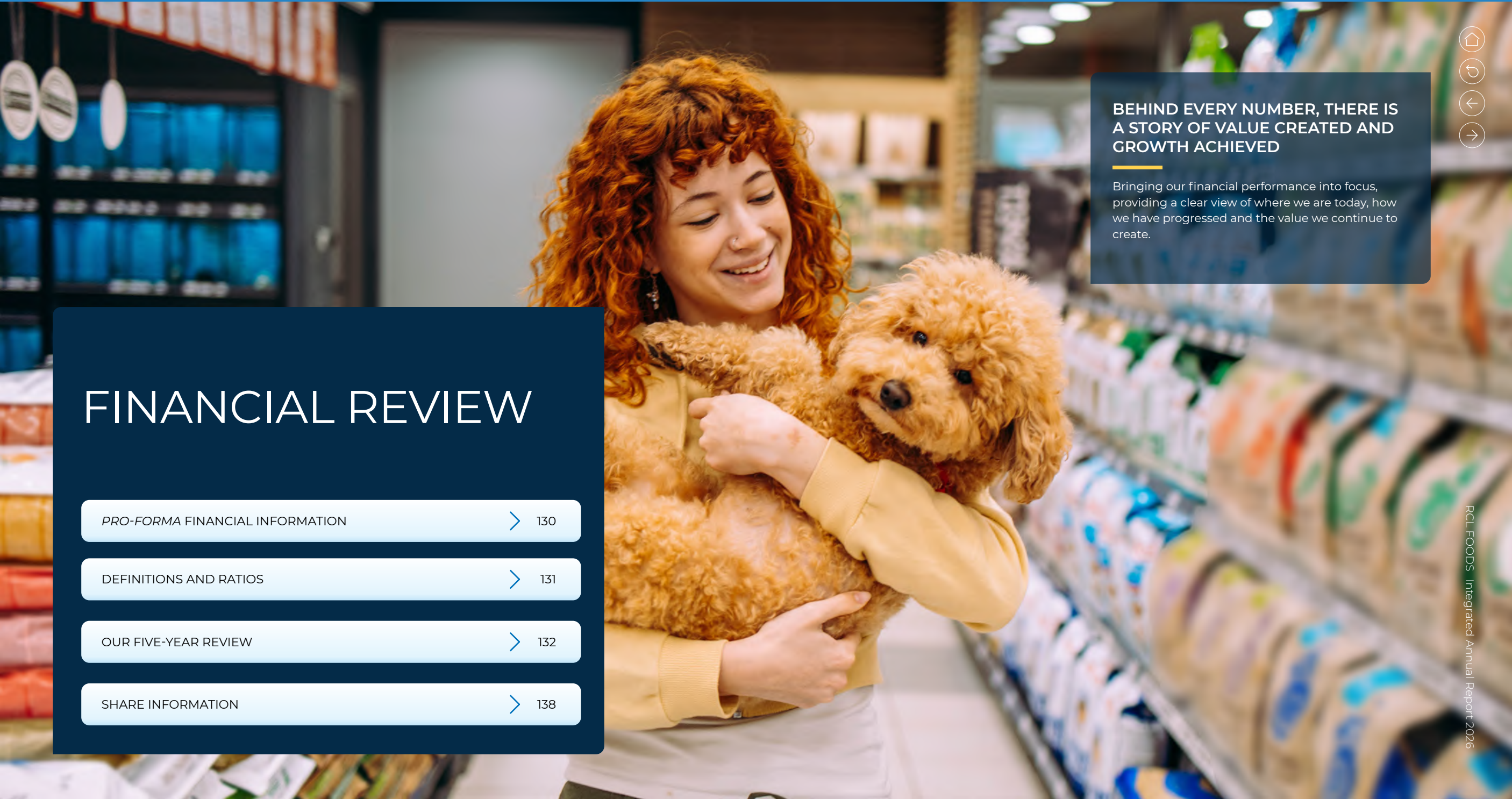
COMMITTEE CONCLUSION

Following its review of remuneration outcomes across the workforce, the Committee is satisfied that the Company's remuneration practices remain aligned with the principles of fair and responsible pay and continue to support sustainable long-term value creation.

The Committee will continue to monitor remuneration distribution indicators annually and, where appropriate, implement targeted interventions to support equitable remuneration outcomes, maintain market competitiveness and ensure ongoing alignment with legislative requirements, governance standards and stakeholder expectations.

The Committee believes that the disclosures contained in this report provide shareholders with meaningful insight into remuneration distribution across the Group while appropriately reflecting the scale, complexity and diverse workforce profile of RCL FOODS.





BEHIND EVERY NUMBER, THERE IS A STORY OF VALUE CREATED AND GROWTH ACHIEVED

Bringing our financial performance into focus, providing a clear view of where we are today, how we have progressed and the value we continue to create.

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PRO-FORMA FINANCIAL INFORMATION

The underlying results show the impact of excluding material once-off and accounting adjustments to the earnings before interest, taxes, depreciation, and amortisation (EBITDA), profit for the year attributable to equity holders of the Company, earnings per share (EPS), headline earnings, headline earnings per share (HEPS) and ROIC. The underlying results are 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 year under review. The preparation and presentation of the *pro-forma* financial information are the responsibility of the Board. The underlying view of results are *pro-forma* measures and, due to its nature, may not fairly present the Group's financial position, changes in equity, results of operations or cash flows for the years presented. EBITDA is calculated as operating profit before depreciation, amortisation and impairments and represents earnings before interest, tax, depreciation, amortisation and impairments of property, plant and equipment, right-of-use assets, intangible assets and goodwill. Shareholders are advised that this metric may not align with metrics used by other organisations.

Ernst & Young Inc., the current external auditor of the Group has issued a report on the compilation of the *pro-forma* financial information, which is available for inspection as published on the RCL FOODS website.



www.rclfoods.com/financial-results-and-reports-2026/

RECONCILIATION BETWEEN UNADJUSTED AND UNDERLYING RESULTS

Unadjusted information has been extracted without adjustment from the consolidated AFS for the year ended June 2026.

The adjustments to the unadjusted information have been extracted from the Group's accounting records for the year ended June 2026 and June 2025.

CONTINUING OPERATIONS

	Unadjusted results	IFRS 9 ¹	Special levy ²	Nkomazi floods ³	CGU impairment ⁴	Cut-off ⁵	Underlying results
June 2026 (Rm)							
EBITDA	2 174,4	10,3					2 184,7
Groceries	465,5	12,0					477,5
Baking	924,0	(1,6)					922,4
Sugar	754,6						754,6
Group	69,1						69,1
Unallocated restructuring costs	(38,9)						(38,9)
Profit for the period from continuing operations attributable to equity holders of the Company	755,7	7,5			182,5		945,8
EPS from continuing operations (cents)	84.1	0.8			20.3		105.3
Headline earnings from continuing operations	943,8	7,5					951,4
HEPS from continuing operations (cents)	105.1	0.8					105.9
ROIC (%)	7.4	0.1			1.4	0.1	9.0
June 2025 (Rm)							
EBITDA	2 562,7	(40,8)	(91,0)	(40,3)			2 390,6
Groceries	630,2	(38,1)					592,2
Baking	802,4	(2,7)					799,7
Sugar	1 094,4		(91,0)	(40,3)			963,1
Group	100,7						100,7
Unallocated restructuring costs	(65,0)						(65,0)
Profit for the period from continuing operations attributable to equity holders of the Company	1 418,1	(29,7)	(61,5)	(25,0)			1 301,9
EPS from continuing operations (cents)	158.7	(3.3)	(6.9)	(2.8)			145.7
Headline earnings from continuing operations	1 397,0	(29,7)	(61,5)				1 305,7
HEPS from continuing operations (cents)	156.3	(3.3)	(6.9)				146.1
ROIC (%)	14.5	(0.3)	(0.7)	(0.3)		(0.2)	13.0

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

1 IFRS 9 fair value adjustments relate to the fair value gains and losses on commodity contracts entered into as part of the Group's raw material procurement strategy

2 Special levy relates to the impact of a partial recovery of the special sugar industry levy incurred in the 2023 financial year

3 Nkomazi floods relate to insurance proceeds received during the prior year in respect of the February 2023 flood damage in Nkomazi

4 Impairments relate to the impairment recognised in the current year on the Sunshine CGU

5 Cut-off relates to the cash impact of reporting date cut-off on year-end trade and other receivables and payables and tax balances which distorts the invested capital balance for the purposes of the ROIC calculation

DEFINITIONS AND RATIOS

SHAREHOLDER RATIOS

EARNINGS PER SHARE FROM CONTINUING OPERATIONS

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

DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS

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

HEADLINE EARNINGS PER SHARE FROM CONTINUING OPERATIONS

Headline earnings from continuing operations divided by weighted average ordinary shares in issue

DIVIDEND PER SHARE

Dividends declared divided by weighted average ordinary shares in issue

DIVIDEND COVER

Headline earnings per share from total operations 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 from continuing operations expressed as a percentage of revenue from continuing operations

OPERATING PROFIT MARGIN

Operating profit from continuing operations expressed as a percentage of revenue from continuing operations

RETURN ON NET ASSETS

Profit before tax from continuing operations, expressed as a percentage of net assets

NET ASSET TURNOVER

Revenue from continuing operations divided by net assets

RETURN ON INVESTED CAPITAL

Net operating profit after tax from continuing operations plus equity-accounted profits from continuing operations divided by invested capital. Net operating profit after tax is operating profit less the taxation expense, excluding the impact of taxation on net finance costs

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

NET WORKING CAPITAL

Current trade and other receivables, inventory and biological assets less current trade and other payables

NET WORKING CAPITAL AS PERCENTAGE OF REVENUE

Net working capital expressed as a percentage of revenue

INCOME STATEMENT

OPERATING PROFIT BEFORE DEPRECIATION, AMORTISATION AND IMPAIRMENTS (EBITDA)

Operating profit before depreciation, amortisation and impairment is earnings before depreciation, amortisation, impairments of property, plant and equipment (including right-of-use assets) and intangible assets (including goodwill), interest and tax

OPERATING PROFIT (EBIT)

Operating profit is earnings before interest and tax

RETURN ON EQUITY

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

SHARE INFORMATION

PRICE EARNINGS (PE) RATIO

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

DEBT RATIOS

NET SENIOR DEBT

Total unsubordinated debt less cash and cash equivalents

SENIOR LEVERAGE RATIO

Net senior debt divided by pre-IFRS 9 (IFRS 9 as related to fair value adjustments on commodity positions) 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 and any material exceptional, once-off or non-recurring items

SENIOR INTEREST COVER RATIO

Pre-IFRS 9 (IFRS 9 as related to fair value adjustments on commodity positions) 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 and any material exceptional, once-off or non-recurring items, expressed as a percentage of senior net finance charges

TOTAL SENIOR NET DEBT

Interest-bearing liabilities less cash and cash equivalents

SENIOR NET FINANCE CHARGES

Finance charges on unsubordinated debt less interest income

GEARING RATIO

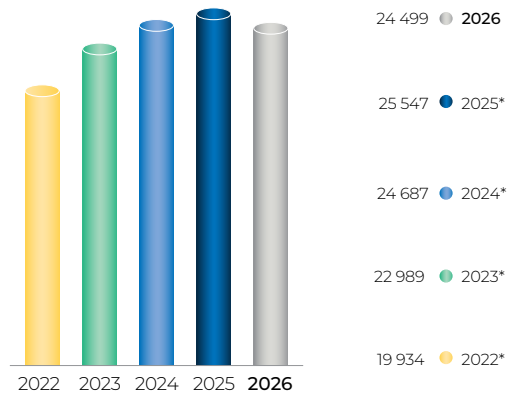
Total interest-bearing liabilities as a percentage of total equity



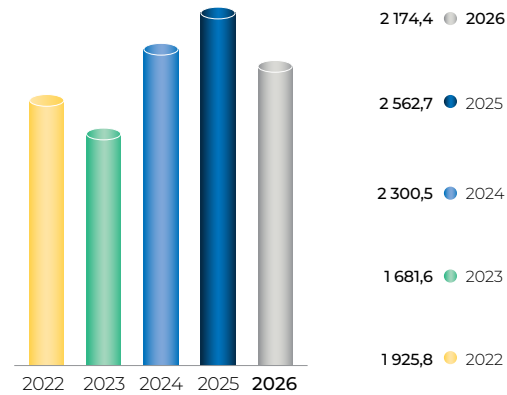
OUR FIVE-YEAR REVIEW

CONTINUING OPERATIONS

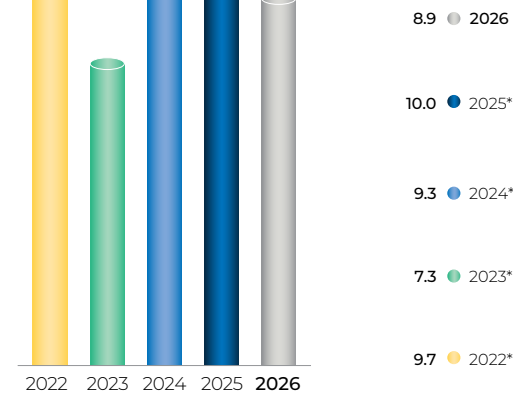
REVENUE (R million)



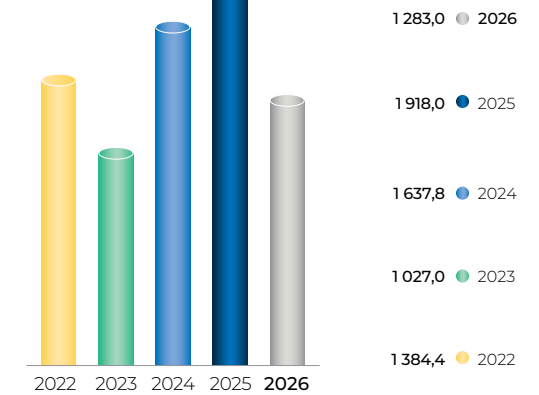
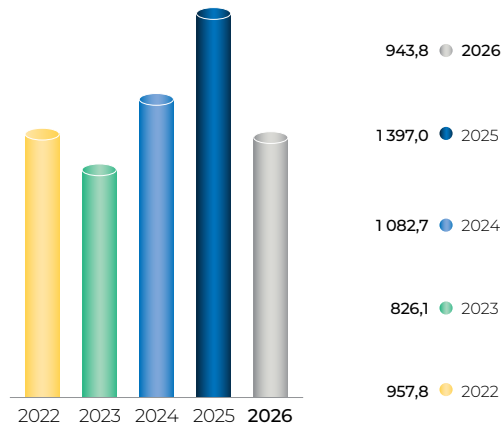
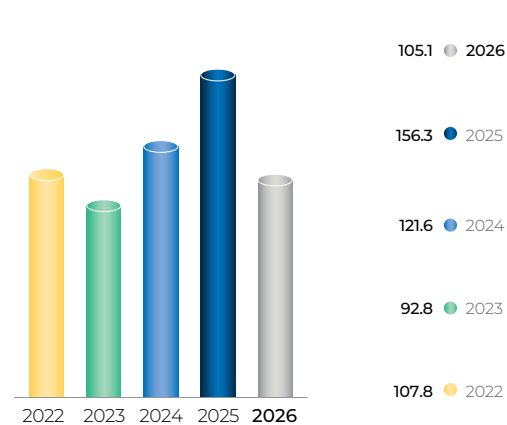
EBITDA (R million)



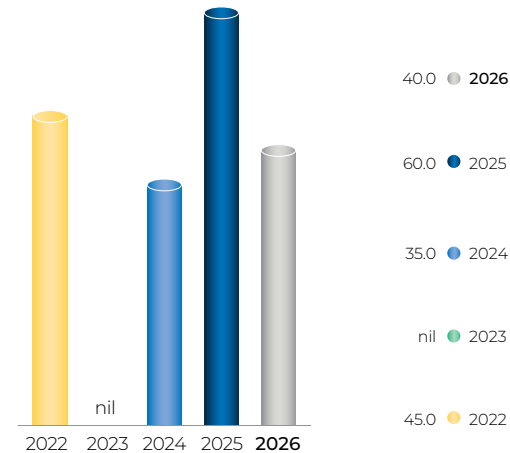
EBITDA MARGIN (%)



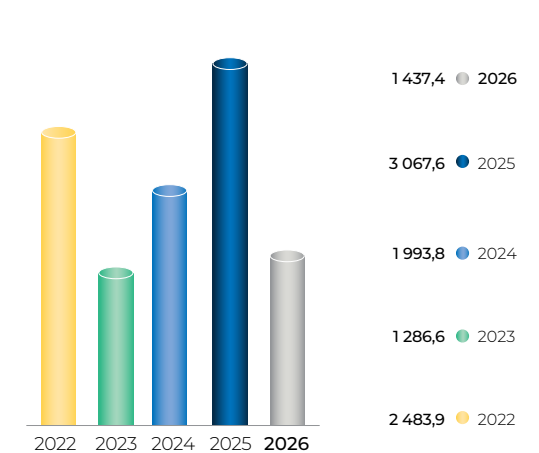
EBIT (R million)

HEADLINE EARNINGS (R million)
Attributable to equity holders of the CompanyHEADLINE EARNINGS PER SHARE (cents)
Attributable to equity holders of the Company

DIVIDENDS DECLARED PER SHARE (cents)



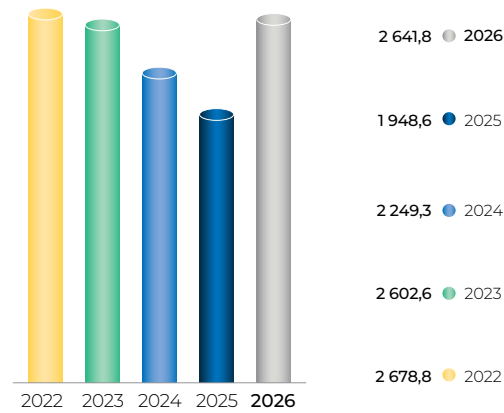
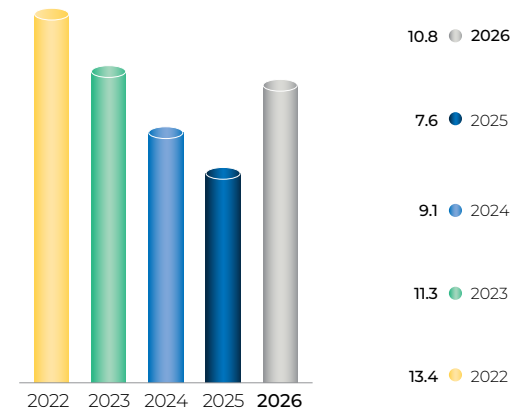
CASH GENERATED BY OPERATIONS (R million)



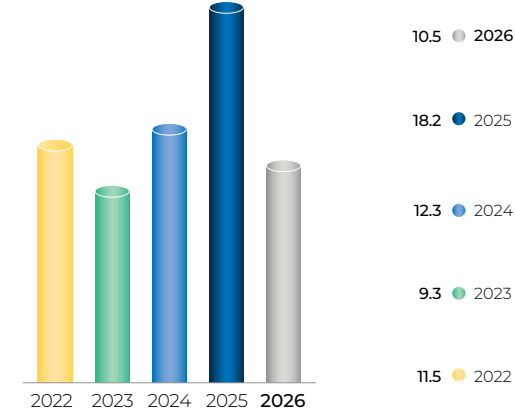
* Revenue from continuing operations for the prior years were restated during the current year for a reclassification between revenue and cost of sales. Refer to note 34 in the Annual Financial Statements for further details. Comparative revenue figures for financial years 2022, 2023 and 2024 are unaudited.

OUR FIVE-YEAR REVIEW continued

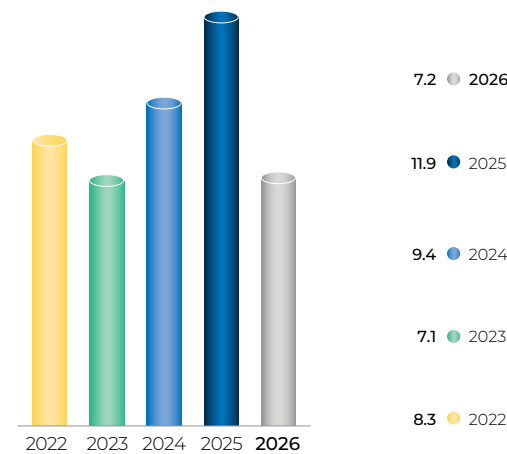
NET WORKING CAPITAL (Current)

NET WORKING CAPITAL (Current)
as percentage of revenue (%)

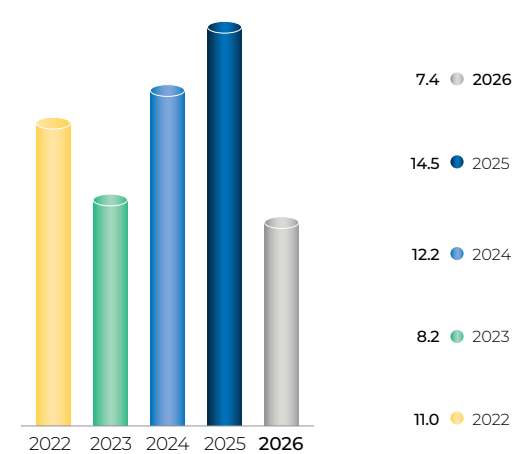
RETURN ON NET ASSETS (%)



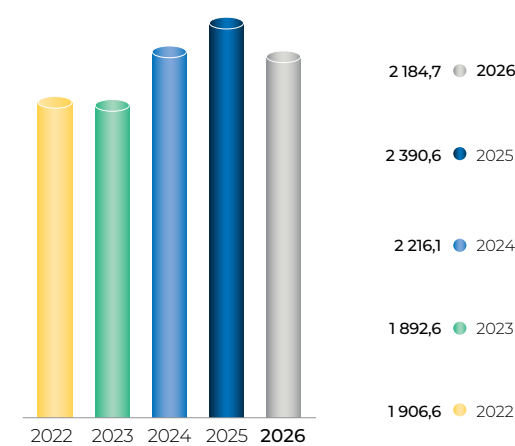
RETURN ON EQUITY (%)



RETURN ON INVESTED CAPITAL (%)



EBITDA – UNDERLYING (R million)

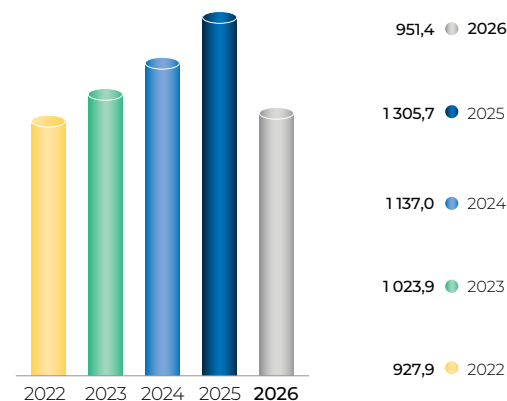


* Revenue from continuing operations for the prior years were restated during the current year for a reclassification between revenue and cost of sales. Refer to note 34 in the Annual Financial Statements for further details. Comparative revenue figures for financial years 2022, 2023 and 2024 are unaudited.

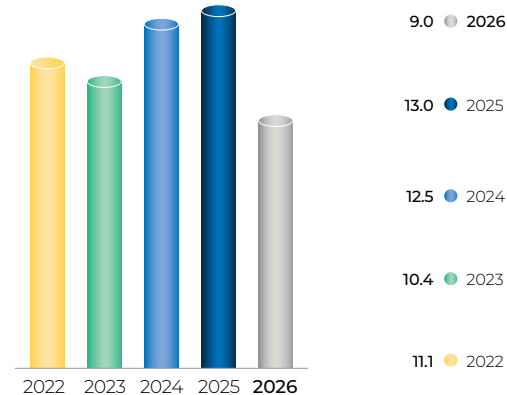


OUR FIVE-YEAR REVIEW continued

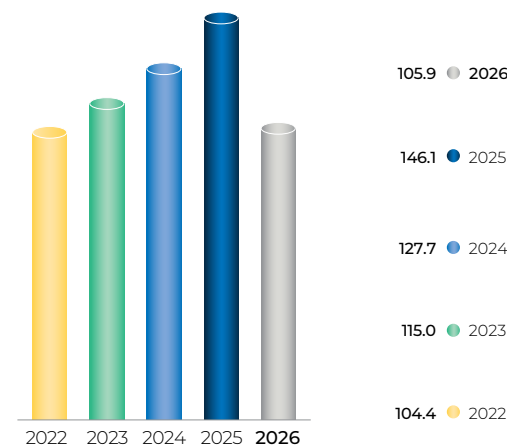
HEADLINE EARNINGS – UNDERLYING
(R million) attributable to equity holders
of the Company



RETURN ON INVESTED CAPITAL –
UNDERLYING (%)



HEADLINE EARNINGS PER SHARE –
UNDERLYING)
attributable to equity holders of the Company (cents)



OUR FIVE-YEAR REVIEW continuedCONSOLIDATED STATEMENTS OF FINANCIAL POSITION[#]

	2026	2025	2024	2023	2022
ASSETS					
Property, plant and equipment and right-of-use assets	5 629 323	5 157 580	4 713 447	6 349 203	6 886 623
Intangible assets	3 266 316	3 456 295	3 485 229	3 572 409	3 488 171
Investment in joint ventures	259 557	246 734	227 398	211 240	307 135
Investment in associates	965 945	1 020 756	1 004 391	942 333	822 991
Deferred income tax asset	59 252	61 432	16 910	42 289	45 435
Loans receivable – non-current	23 624	12 000	12 000	12 000	31 095
Investment in financial asset	114 196	114 196	114 196	149 936	241 976
Trade and other receivables – non-current			6 279		26 289
Current assets	8 043 186	8 594 238	7 412 979	7 523 320	12 092 444
Assets of disposal group classified as held for sale	572	572	6 701 458	6 498 631	33 135
Total assets	18 361 971	18 663 803	23 694 287	25 301 361	23 975 294
EQUITY AND LIABILITIES					
Equity	10 669 154	10 386 619	13 441 041	11 721 305	11 389 332
Deferred income – non-current	436	717		3 277	4 474
Interest-bearing liabilities – non-current	1 895 069	1 942 922	391 313	807 200	2 269 311
Deferred income tax liabilities	916 949	800 046	789 368	1 006 332	1 040 157
Retirement benefit obligations	30 250	26 228	27 383	65 974	115 725
Trade and other payables – non-current	24 813	116 661	34 669	10 858	
Current liabilities	4 825 300	5 390 610	5 982 104	7 689 324	9 155 278
Liabilities of disposal group classified as held for sale			3 028 409	3 997 091	1 017
Total equity and liabilities	18 361 971	18 663 803	23 694 287	25 301 361	23 975 294

[#] Rainbow's assets and liabilities are included in the individual lines for (2022 – 2023) and Vector Logistics for 2022, subsequent to which they have been classified as discontinued and have been disposed.

OUR FIVE-YEAR REVIEW continued

CONSOLIDATED INCOME STATEMENTS

	2026	2025 ^{*A}	2024 ^{*A}	2023 ^{*A}	2022 ^{*A}
Revenue	24 498 560	25 547 168	24 687 044	22 988 775	19 933 696
Operating profit before depreciation, amortisation and impairments (EBITDA) ¹	2 174 386	2 562 695	2 300 495	1 681 643	1 925 807
Depreciation, amortisation and impairments ¹	(891 362)	(644 687)	(662 657)	(654 611)	(541 409)
Operating profit	1 283 024	1 918 008	1 637 838	1 027 032	1 384 398
Finance costs	(215 201)	(237 540)	(171 568)	(177 456)	(214 300)
Finance income	62 717	83 271	28 149	10 959	90 519
Share of profits of joint ventures	29 337	34 774	33 525	36 185	26 113
Share of (losses)/profits of associates	(37 231)	93 437	125 562	188 458	22 482
Profit before tax	1 122 646	1 891 950	1 653 506	1 085 177	1 309 212
Income tax expense	(354 375)	(431 832)	(429 362)	(348 617)	(408 896)
Profit for the year – continuing operations	768 271	1 460 118	1 224 144	736 560	900 316
Profit/(loss) for the year – discontinued operations		191 245	425 552	(223 652)	77 368
Profit for the period	768 271	1 651 363	1 649 696	512 908	977 684
Profit/(loss) for the year attributable to:					
Equity holders of the Company	755 740	1 609 361	1 624 393	616 237	1 013 361
– from continuing operations	755 740	1 418 116	1 185 203	816 197	917 940
– from discontinued operations		191 245	439 190	(199 960)	95 421
Non-controlling interests	12 531	42 002	25 302	(103 329)	(35 677)
– from continuing operations	12 531	42 002	38 940	(79 638)	(17 624)
– from discontinued operations			(13 638)	(23 691)	(18 053)

¹ Impairments relate only to impairments of property, plant and equipment, goodwill, right-of-use assets and intangible assets.

^{*} Both the Rainbow and Vector Logistics segments have been reported as discontinued operations in all of the comparative periods presented above.

^A Revenue from continuing operations for the prior years was restated for a reclassification between revenue and cost of sales. Refer to note 34 in the Annual Financial Statements for further details. Comparative revenue figures for financial years 2022, 2023 and 2024 are unaudited.

OUR FIVE-YEAR REVIEW continued

OTHER KEY STATISTICS

		2026	2025*	2024*	2023*	2022*
OTHER KEY STATISTICS – CONTINUING OPERATIONS*						
Earnings per share	cents	84.1	158.7	133.1	91.7	103.3
Diluted earnings per share	cents	83.7	157.4	132.7	91.0	102.4
Capital expenditure (excluding intangibles and non-cash additions)	Rm	1 083	927	869	726	705
Net assets	Rm	10 669	10 387	13 441	11 721	11 389
Net asset value per share	cents	1 186.3	1 157.9	1 509.7	1 316.9	1 280.5
Operating profit margin	%	5.2	7.5	6.6	4.5	6.9
Net asset turnover	times	2.3	2.5	1.8	2.0	1.8
Dividend cover – Total operations	times	2.6	2.6	4.1		2.5
DEBT RATIOS						
Senior leverage ratio – total operations	times	0.4	0.0	0.4	1.6	0.6
Senior interest cover ratio – total operations	times	18.9	21.5	10.9	5.4	10.5
Gearing ratio – continuing operations*		19.5	20.1	16.3	25.0	31.0
SHARE INFORMATION						
Number of ordinary shares						
– weighted average in issue ¹	'000	898 297	893 835	890 155	889 990	888 700
– diluted weighted average in issue ¹	'000	902 926	900 738	892 919	896 873	896 367
– at year-end (statutory, includes BEE shares in 2022)	'000	899 401	897 023	890 296	890 097	953 298
– at year-end (for accounting purposes) ¹	'000	899 401	897 023	890 296	890 097	889 468

¹ Excludes shares issued in terms of the BEE schemes (2002).

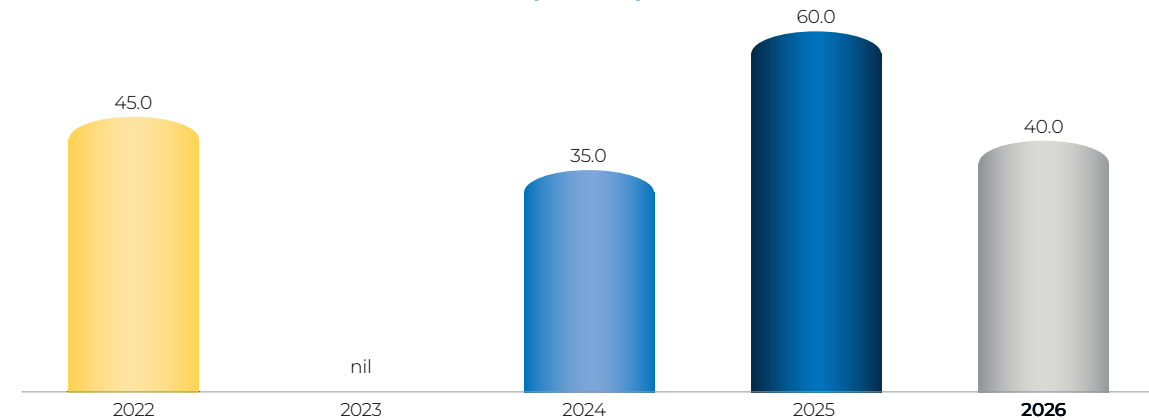
* Both the Rainbow and Vector Logistics segments have been reported as discontinued operations in all of the comparative periods presented above.

SHARE INFORMATION

RCL FOODS SHARE PRICE (CENTS)



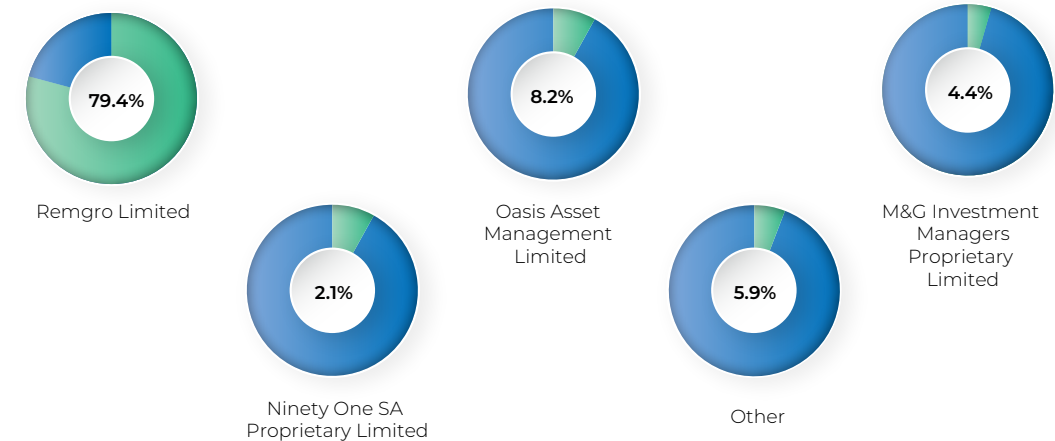
DIVIDENDS DECLARED PER SHARE (CENTS)



STOCK EXCHANGE PERFORMANCE

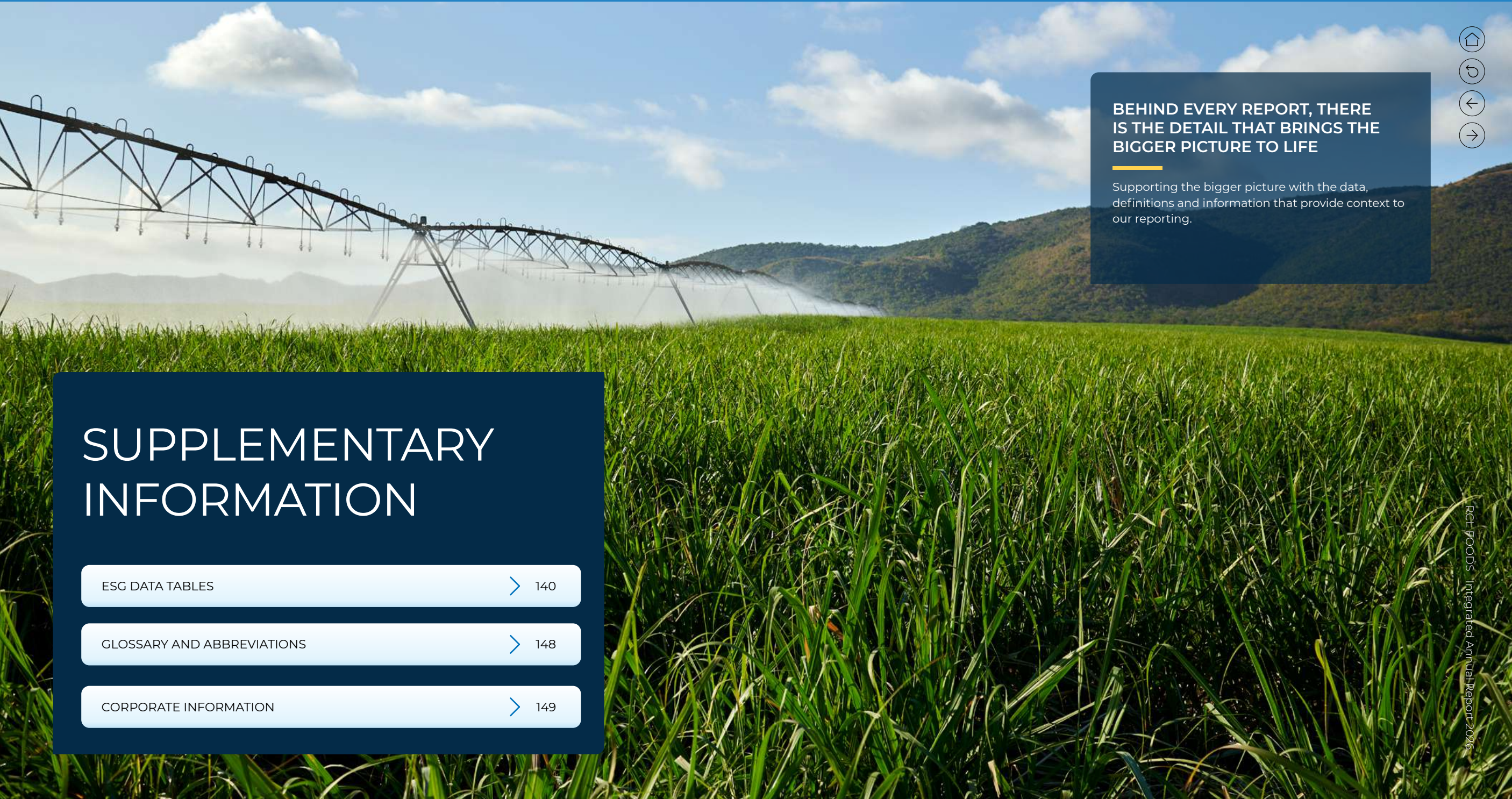
12 months		2026	2025
Share price			
– lowest	cents	775	805
– highest	cents	1 129	1 108
– at year-end	cents	785	1 045
Number of shares traded	million	19.2	23.1
Value traded	Rm	178.0	217.7
Number of shares in issue at year-end	'000	899 401	897 023
PE ratio at year-end	ratio	7.5	6.7
Market capitalisation	billion	7,1	9,4

SHAREHOLDERS (%)



LISTING INFORMATION

JSE share code: RCL
Sector: Food Producers



BEHIND EVERY REPORT, THERE IS THE DETAIL THAT BRINGS THE BIGGER PICTURE TO LIFE

Supporting the bigger picture with the data, definitions and information that provide context to our reporting.

SUPPLEMENTARY INFORMATION

ESG DATA TABLES > 140

GLOSSARY AND ABBREVIATIONS > 148

CORPORATE INFORMATION > 149



ESG DATA TABLES

GOVERNANCE	Standard	Unit of measure	2026*	2025	2024	2023	2022
Number of Board Members	GRI 2-9	Number	11	11	12	12	12
Number of Board Members who are deemed Non-Executive	GRI 2-9	Number	9	9	10	10	10
Percentage of Board Members who are deemed Non-Executive	GRI 2-9	%	81.8	81.8	83	83	83
Number of Board Members who are deemed Executive	GRI 2-9	Number	2	2	2	2	2
Number of Prescribed Officers (Note: Persons who are NOT already counted as Executives)		Number	–	–	–	–	–
Number of Board Members who are deemed Independent	GRI 2-9	Number	7	7	7	7	5
Percentage of Board Members who are deemed Independent	GRI 2-9	%	63.6	63.6	58	58	42
Number of Board Members who are Women	GRI 2-9 & 401-1, SASB 330	Number	3	3	2	2	2
Percentage of Board Members who are Women	GRI 2-9 & 401-1, SASB 330	%	27.3	27.3	17	17	17
Number of Board Members who are African, Coloured or Indian (ACI)	GRI 2-9 & 401-1, SASB 330	Number	5	5	5	5	5
Percentage of Board Members who are deemed ACI	GRI 2-9 & 401-1, SASB 330	%	45.5	45.5	42	42	42
Number of Board Members who are deemed a Historically Disadvantaged South African (HDSA)**	GRI 2-9 & 401-1, SASB 330	Number	5	5	5	5	5
Percentage of Board Members who are deemed HDSA	GRI 2-9 & 401-1, SASB 330	%	45.50	45.50	42	42	42
Average Length of Executive Director Service (years)	GRI 2-9	Number	13 years	12	11	10	9
Average Length of Non-Executive Director Service (years)	GRI 2-9	Number	7 years	6	10	9	9
Average Length of Director (full Board) Service (years)	GRI 2-9	Number	8 years	7	10	9	9
Average Age of Directors (years)	GRI 404-1, SASB 330	Number	55	54	56	54	54
Percentage of Directors between 30 and 50 years of age	GRI 404-1, SASB 330	%	18	18	8	17	25
Percentage of Directors over 50 years of age	GRI 404-1, SASB 330	%	82	82	92	83	75
Overall Board and Committee Meeting attendance		%	98	100	98	99	95
Name of Financial Auditor		Name	EY	EY	EY	PwC	PwC
Length of Current Auditor's service (years)		Number	2	1	<1	19	18
Independence of Board Chairman	GRI 2-9	Y/N	Y	Y	N	N	N
Publicly Available Policy on Board Conflicts of Interest & Politically Exposed Persons (PEPs)	GRI 2-15	Y/N/P	Partial	Partial	Partial	Partial	Partial
Public Disclosure on any/all Board Member Conflicts of Interest	GRI 2-15	Y/N	N/A	N/A	N	N	N
Public Disclosure on any/all Board Members Deemed a PEP		Y/N	N/A	N/A	N/A	N	N



ESG DATA TABLES continuedGOVERNANCE continued

	Standard	Unit of measure	2026*	2025	2024	2023	2022
Signed Publicly Available Climate-related Financial Disclosures, as per TCFD***		Y/N/P	Partial	N	N	N	N
Publicly Available Human Rights Policy	GRI 2-23	Y/N	N	N	N	N	N
ESG Included into Service Level Agreements with Suppliers	GRI 308-1 & 412-3 & 414-1 & 414-2	Y/N	Y	Y	Y	Y	Y
Formal Audit of Suppliers and Contractors for ESG Compliance (including human rights)	GRI 308-1 & 412-3 & 414-1 & 414-2	Y/N	N	N	N	N	N
Shareholders Vote (binding) on Executive Remuneration****	GRI 2-19 & 2-20	Y/N/P	Partial	Partial	Partial	Partial	Partial
Shareholders Vote (binding) on Sustainability-related Resolutions		Y/N	N	N	N	N	N
Public Disclosure of Voting Record on Sustainability-related Resolutions		Y/N	N/A	N/A	N	N	N
Executive Remuneration Linked to ESG		Y/N/P	Y	Partial	Partial	N	N

* As at end June 2026

** Historically Disadvantaged South African (HDSA): people who are African, Coloured, Indian or women

*** Task Force for Climate-related Financial Disclosures

**** At the 2024 AGM there was a non-binding vote on the Remuneration Policy and a non-binding vote on the Remuneration Implementation Report

ESG DATA TABLES continued

LABOUR	Standard	Unit of measure	2026	2025*	2024	2023	2022
Total Number of Employees – Permanent	GRI 2-7, JSE S1.5	Number	10402	10 154	16 320	21 829	20 793
Total Number of Employees – Fixed term (>90 days, but not permanent)	GRI 2-7, JSE S1.5	Number	215	214	306	569	590
Total Number of Employees – Temporary (<90 days)	GRI 2-7, JSE S1.5	Number	105	143	134	271	328
Total Number of Non-Guaranteed Hours Employees	GRI 2-7, JSE S1.5	Number	–	–	–	–	–
Total Number of Full-Time Employees	GRI 2-7, JSE S1.5	Number	10 722	10 511	16 760	22 669	21 711
Total Number of Part-Time Employees	GRI 2-7, JSE S1.5	Number	–	–	–	–	–
Total Number of Employees – All	GRI 2-7, JSE S1.5	Number	10 722	10 511	16 760	22 669	21 711
Total Number of Non-Employees whose work is controlled by RCL FOODS (Contractors)	GRI 2-8, JSE S1.5	Number	1878	1 842	5 332	5 457	4 888
Total Number of Employees and Contractors	GRI 2-7 & 2-8, JSE S1.5	Number	12 600	12 353	22 092	28 126	26 599
Total Number of Employees and Contractors Operating in South Africa	GRI 2-7 & 2-8, JSE S1.5	Number	12 600	12 353	22 092	28 033	26 506
Percentage of Employees and Contractors Operating in South Africa	GRI 2-7 & 2-8, JSE S1.5	%	100	100	100	100	100
Percentage of Employees who are Permanent	GRI 2-7	%	97	97	97	96	96
Percentage of Management (Top and Senior) Deemed EE*	GRI 405-1, SASB 330	%	58	53	52	48	44
Percentage of Management (Top and Senior) who are Women	GRI 405-1, SASB 330	%	36	27	24	19	14
Percentage of Management (Top and Senior) who are ACI**	GRI 405-1, SASB 330	%	44	40	38	38	35
Percentage of Employees who are Deemed EE	GRI 405-1, SASB 330	%	97	96	96	97	97
Percentage of Employees who are Women	GRI 405-1, SASB 330	%	32	31	36	33	32
Percentage of Employees who are ACI	GRI 405-1, SASB 330	%	94	94	94	95	94
Number of Employees who are Living with a Disability	GRI 405-1, SASB 330	Number	99	104	120	157	149
Number of Employees who are Under 30 years old	GRI 401-1, JSE S2.3, SASB 310	Number	1 964	2 114	3 555	4 477	4 333
Number of Employees who are 30-50 years old	GRI 401-1, JSE S2.3, SASB 310	Number	6 955	6 687	10 796	14 926	14 115
Number of Employees who are Over 50 years old	GRI 401-1, JSE S2.3, SASB 310	Number	1 803	1 710	2 409	3 266	3 263
Percentage of Employees who Belong to a Trade Union		%	51	49	44	43	45
Percentage of Total Employees Covered by Collective Bargaining Agreements	GRI 2-30	%	69	64	66	74	75
Number of New Hires	GRI 401-1, JSE S2.3, SASB 310	Number	1 037	1 610	2 226	3 461	1 713
Number of New Hires who are Deemed EE	GRI 401-1, JSE S2.3, SASB 310	Number	1 022	1 590	2 176	3 398	1 663
Number of New Hires who are Women	GRI 401-1, JSE S2.3, SASB 310	Number	399	397	720	1 167	580
Number of New Hires who are Under 30 years old	GRI 401-1, JSE S2.3, SASB 310	Number	384	777	975	1 549	825
Number of New Hires who are 30-50 years old	GRI 401-1, JSE S2.3, SASB 310	Number	606	778	1 186	1 830	823
Number of New Hires who are Over 50 years old	GRI 401-1, JSE S2.3, SASB 310	Number	47	55	65	82	65
Number of Employee Terminations	GRI 401-1, JSE S2.3, SASB 310	Number	881	1117	2296	2636	2 001

ESG DATA TABLES continued

LABOUR continued

	Standard	Unit of measure	2026	2025*	2024	2023	2022
Employee Turnover (proportion of departures relative to total number of permanent employees at year-end)	GRI 401-1, JSE S2.3, SASB 310	%	8.5	11	14	12.1	9.6
Total Number of Person Hours Worked (PHW)	GRI 403-9	Number	21 296 679	20 731 807	34 874 433	42 482 724	42 098 090
Total Number of Employees Trained, Including Internal and External Training Interventions		Number	7002	7243	8827	9 088	9 367
Percentage of Employees Trained in South Africa		%	100	100	100	100	100
Average Number of Hours of Training per Employee	GRI 404-1	Number	44	64	41	64	63
Total Number of Employees on Learnerships		Number	228	238	512	752	598
Total Number of Employees on Apprenticeships		Number	129	97	77	76	91
Total Number of Internships		Number	75	72	99	105	85
Percentage of Learnership, Apprenticeship and Internship Candidates Deemed ACI		%	97	96	95	96	99
Rand Value of Employee Training Spend		Rands	48 095 901	49 550 697	54 627 479	56 322 312	48 059 189
Percentage of Training Spend in South Africa		%	100	100	100	100	100
Total Number of Person Days Lost Due to Absenteeism		Number	10 791	10 653	35 841	54 026	43 148
Percentage of Total Person Days Lost Due to Absenteeism		%	0.004	0.004	0.8	1.0	0.8
Total Number of Person Days Lost Due to Industrial Action (i.e., strike action)		Number	0	1 423	1 215	17 322	6 647
Percentage of Total Person Days Lost Due to Industrial Action		%	0.0	0.00	0.03	0.326	0.126
Number of Days of Family-Related Leave Taken	GRI 401-3	Number	6748	6 355	14 105	17 466	21 476
Number of Maternity Leave Days Taken	GRI 401-3	Number	10712	11 494	27 838	35 767	38 922
Number of Paternity Leave Days Taken	GRI 401-3	Number	514	505	823	1 167	1 860

Note: 2026 numbers exclude Akwandze and TSGRO

* Employment Equity (EE) refers to Historically Disadvantaged South Africans (HDSA) – Women and people who are African, Indian or Coloured, as well as People Living with Disabilities

** African, Coloured or Indian (ACI)

ESG DATA TABLES continued

HEALTH AND SAFETY	Standard	Unit of measure	2026	2025*	2024**	2023	2022
Number of Fatalities – Employees (i.e., injuries on duty leading to death, excluding the deaths of workers not occurring at work)	GRI 403-9	Number	1	1	1	2	1
Number of Fatalities – Contractors (i.e., injuries on duty leading to death, excluding the deaths of workers not occurring at work)	GRI 403-9	Number	–	3	–	–	–
Number of First Aid Cases – Employees (FACs, i.e., injuries on duty leading to minor treatments, such as a plaster or a pain tablet)	GRI 403-9	Number	597	442	2 266	1 788	–
Number of Medical Treatment Cases – Employees (MTCs, i.e., injuries on duty leading to medical treatment, but no lost days)	GRI 403-9	Number	147	133	560	577	–
Number of Lost Time Injuries – Employees (LTIs, i.e., injuries on duty leading to at least one lost day)	GRI 403-9	Number	108	138	219	371	437
Total Number of Recordable Injuries*, including MTCs, LTIs and Fatalities – Employees	GRI 403-9	Number	255	271	779	948	–
Number of High-consequence work-related injuries** – Employees	GRI 403-9	Number	2	7	4	–	–
Fatal Injury Frequency Rate – Employees (FIFR, i.e., number of Fatalities per 200 000 person hours worked)	GRI 403-9	Rate	0.01	0.01	0.006	0.009	0.0048
Lost Time Injury Frequency Rate – Employees (LTIFR, i.e., number of LTIs per 200 000 person hours worked)	GRI 403-9	Rate	1.01	1.33	1.26	1.75	2.08
Total Recordable Injury Frequency Rate (TRIFR) – Employees	GRI 403-9	Rate	2.39	2.61	4.47	4.46	5.73
Rate of High-consequence work-related injuries – Employees	GRI 403-9	Rate	0.02	0.07	0.02	–	–
LTIFR and/or TRIFR target reported	GRI 403-9	Y/N	N	N	N	N	N
Total Number of Near Misses (NM) – Employees	SASB: FB-AG-320	Number	141	190	1 028	972	–
Near Miss Frequency Rate – Employees (NMFR, i.e., number of NMs per 200 000 person hours worked)	SASB: FB-AG-320	Rate	1.32	1.83	5.9	4.58	–
Number of Fatalities as a Result of Work-related Ill Health – Employees	GRI 403-10	Number	–	–	–	–	–
Number of Cases of Work-related Ill Health – Employees	GRI 403-10	Number	–	1	15	135	–
Number of Fatalities as a Result of Work-related Ill Health – Contractors	GRI 403-10	Number	–	–	–	–	–
Number of Cases of Work-related Ill Health – Contractors	GRI 403-10	Number	–	–	2	2	–
Number of operational health and safety audits conducted		Number	888	660	346	204	13
Number of food and safety audits conducted		Number	521	537	223	131	33
Number of recalls for food safety reasons	GRI 13-10	Number	2	–	2***	3	–
Volume of product recalled	GRI 13-10	Tonnes	1 286	–	N/A	132	–
Total incidents of non-compliance with regulations and/or voluntary codes (product health and safety)	GRI 416-2	Number	–	1	–	–	–
Total incidents of non-compliance with regulations and/or voluntary codes (product information and labelling)	GRI 417-2	Number	–	1	–	1	–
Total incidents of non-compliance with regulations and/or voluntary codes (marketing communications)	GRI 417-3	Number	–	–	–	–	–

* 2025 figures exclude Rainbow

** The 2024 figures included data from Rainbow Farms, which was part of the consolidated safety performance metrics for that period

*** Recalls on behalf of third party customers of Vector Logistics

ESG DATA TABLES continued

ENERGY	Standard	Unit of measure	2026	2025	2024	2023
Direct energy consumption						
Total non-renewable fuel consumed in organisation – Diesel	GRI 302-1	kilolitres (kℓ)	9 014	9 961	13 649	18 826
Total non-renewable fuel consumed in organisation – Petrol	GRI 302-1	kℓ	61	64	78	78
Total non-renewable fuel consumed in organisation – Coal	GRI 302-1	tonnes	94 527	109 925	191 565	184 608
Total non-renewable fuel consumed in organisation – Natural Gas	GRI 302-1	Gigajoules (GJ)	86 417	77 466	90 700	98 132
Total non-renewable fuel consumed in organisation – Liquid Petroleum Gas (LPG)	GRI 302-1	tonnes	528	579	1 734	2 155
Total non-renewable fuel consumed in organisation – Jet A1 Fuel (corporate plane)	GRI 302-1	kℓ	106	4	142	137
Total non-renewable fuel consumed in organisation – Heavy Furnace Oil (HFO)	GRI 302-1	kℓ	–	–	996	870
Total non-renewable fuel consumed in organisation – Paraffin	GRI 302-1	kℓ	2 667	2 685	3 107	3 273
Total non-renewable fuel consumed in organisation – Catlight & Polyfuel	GRI 302-1	kℓ	3 532	3 404	3 140	3 354
Total non-renewable fuel consumed in organisation – LO10	GRI 302-1	kℓ	185	26	–	–
Total non-renewable fuel consumed in organisation – LCO10	GRI 302-1	kℓ	177	–	–	–
Total non-renewable fuel consumed in organisation – Acetylene	GRI 302-1	tonnes	4	4	4	4
Total renewable fuel consumed in organisation – Bagasse	GRI 302-1	tonnes	1 288 214	1 181 116	1 212 456	1 376 591
Total renewable fuel consumed in organisation – Wood	GRI 302-1	tonnes	–	–	–	–
Total renewable fuel consumed in organisation – Sunflower husks	GRI 302-1	tonnes	18 544	14 876	16 567	20 845
Total renewable fuel consumed in organisation – Macadamia nut shells	GRI 302-1	tonnes	1 688	6 232	3 374	4 228
Direct energy consumption – from non-renewable fuels burned in organisation	GRI 302-1	GJ	3 177 219	3 595 635	5 595 422	5 635 236
Direct energy consumption – from renewable fuels burned in organisation	GRI 302-1	GJ	8 865 720	8 158 330	8 443 949	8 443 949
Total direct energy consumption – all sources	GRI 302-1	GJ	12 042 939	11 753 965	14 000 520	15 212 760
Total self-generated energy consumed – Co-generation	GRI 302-1	GWh	184	181	178	203
Total self-generated energy consumed – Waste-to-Value (W2V)	GRI 302-1	GWh	–	–	8	7
Total self-generated energy consumed – owned Solar (National Office)	GRI 302-1	GWh	0.2	0.2	0.3	1
Total self-generated energy consumed – Hydro	GRI 302-1	GWh	1	1	2	1
Total self-generated electricity consumed – all sources	GRI 302-1	GWh	185	181	188	212
Total self-generated energy exported	GRI 302-1	GWh	15	8	8	9
Percentage of electricity consumed that was self-generated	GRI 302-1	%	45	41	29	30
Indirect energy consumption						
Total purchased electricity consumed – from Eskom and third party solar	GRI 302-1	GWh	226	261	467	489
Total indirect energy consumption	GRI 302-1	GJ	1 477 900	938 982	1 693 499	1 760 758
Electricity intensity: Purchased electricity consumed per Person Hour Worked (kWh/PHW)	GRI 302-3	kWh	11	13	13	12

ESG DATA TABLES continued

ENERGY continued

	Standard	Unit of measure	2026	2025	2024	2023
CARBON FOOTPRINT						
Total GHG Emissions – Scope 1	GRI 305-1, JSE E1.1	tCO ₂ e	275 303	309 007	526 316	527 733
Total GHG Emissions – Scope 2	GRI 305-2, JSE E1.1	tCO ₂ e	204 087	242 302	474 482	508 075
Total GHG Emissions – Scope 1 and 2		tCO ₂ e	479 390	551 309	1 000 798	1 035 808
Total GHG Emissions – Scope 3	GRI 305-3, JSE E1.1	tCO ₂ e	Not disclosed	1 425 950	Not disclosed	Not disclosed
Renewable energy attributes sold or available for sale		GWh	198	188	187	167
Purchased solar from which carbon offsets are sold or available for sale		GWh	1	1	1	1
Adjusted Scope 2 emissions (if all renewable energy attributes are sold and carbon offsets from purchased solar are sold)		tCO ₂ e	384 351	418 057	663 587	681 914

Notes:

- The 2022 to 2024 data includes Rainbow Chicken and Vector Logistics
- The 2024 data includes Vector Logistics only up to the point it was divested in the 2024 financial year. Rainbow Chicken is included for the full year
- The 2025 data excludes Rainbow Chicken and Vector Logistics as they were no longer part of the Group for 2025
- With regards to the renewable energy attributes, please note the following:
 - The RECs for 2023 are actual RECs sold
 - The RECs for 2024 and 2025 and 2026 are the potential RECs to be sold. Some may have been sold, others may not have been sold but may be in future. Some may be sold or retired internally
 - W2V plant also sold renewable gas certificates (per ISCC EU criteria) to a third party. These are not yet accounted for in the 2023 and 2024 numbers
- For 2026, a PHW of 21296679.06 was used

WATER

	Standard	Unit of measure	2026	2025 – restatement	2025	2024	2023
Direct energy consumption							
Volume of Water Withdrawal – Purchased (Municipal)	GRI 303-5, JSE E2.1	kl	728 403	776 579	758 634	6 533 631	6 495 951
Volume of Water Withdrawal – Groundwater (Boreholes)	GRI 303-5, JSE E2.1	kl	140 428	N/A	132 596	661 033	653 286
Volume of Water Withdrawal – Surface Water (Rivers and dams)	GRI 303-5, JSE E2.1	kl	125 426 387	175 440 472	147 202 271	129 111 440	99 639 230
Total Volume of Water Withdrawal – all sources	GRI 303-5, JSE E2.1	kl	126 295 217	176 349 646	148 093 500	136 306 104	106 788 466
Percentage of Water Withdrawals in Regions of High or Extremely High Baseline Water Stress	GRI 303-5, JSE E2.1	%	74%	70%	68%	Not disclosed	Not disclosed
Water Intensity: Average Volume of Water (kilolitres) consumption per Person Hour Worked (l/PHW)	JSE E2.1	kl	6	8	7	4	3
Total Volume of Water Stored	GRI 303-5	kl	21 724	22 141	22 141	Not disclosed	Not disclosed
Total Volume of Water Reused or Recycled (if known)	GRI 303-5	kl	Not disclosed	670	670	Not disclosed	Not disclosed
Total Volume of Water Consumed	GRI 303-5	kl	115 354 697	160 308 649	132 056 092	132 517 362	103 375 395
Total Volume of Water Discharged	GRI 303-4	kl	10 940 520	16 040 997	16 037 408	3 788 742	3 413 071

Notes:

- The 2022 to 2024 data includes Rainbow Chicken and Vector Logistics
- The 2024 data includes Vector Logistics only up to the point it was divested in the 2024 financial year. Rainbow Chicken is included for the full year
- The 2025 data excludes Rainbow Chicken and Vector Logistics as they were no longer part of the Group for 2025
- With regards to discharges, please note that not all of our sites are measuring discharges at this stage. As such, some discharges are calculated
- Due to issues with the irrigation board water meters for the Sugar division, and corrections to municipal water consumption for some sites, some 2025 water metrics need to be restated. These are indicated in the “2025-restated” column

ESG DATA TABLES continued

WASTE AND POLLUTION

	Standard	Unit of measure	2026	2025	2024	2023
Total Weight of Non-Hazardous Waste Disposed of to Landfill	GRI 306-5	tonnes	176 167	161 258	268 580	217 208
Total Weight of Non-Hazardous Waste Recycled/Reused/Reworked	GRI 306-4	tonnes	6 365	5 031	16 336	14 191
Total Weight of Non-Hazardous Waste Composted (predominantly chicken manure)		tonnes	N/A	N/A	177 449	192 986
Total Weight of Non-Hazardous Waste Recovered for Energy (i.e. bagasse burnt)		tonnes	1 308 446	1 195 992	1 212 456	1 376 591
Total Weight of Non-Hazardous Waste Incinerated		tonnes	–	–	3 127	4 269
Total Weight of Hazardous Waste sent to Registered Disposal Site	GRI 306-5	tonnes	3 755	1 696	501	375
Total Weight of Hazardous Waste Incinerated		tonnes	0,03	0,03	–	–
Total Weight of Hazardous Waste Reused, Recycled, Composted		tonnes	3 027	32	0,13	Not disclosed
Total Weight of Waste Produced – Hazardous + Non-hazardous		tonnes	1 497 759	1 364 009	1 678 449	1 805 620
Waste Intensity: Total Volume of Waste Produced per PHW	JSE E4.1	tonnes	0,07	0,07	0,05	0,04
Total Volume of Waste from Poultry Farms		tonnes	N/A	N/A	186 674	200 216
Percentage of Total Waste Diverted from Disposal	GRI 306-4	%	88%	88%	84%	88%

Notes:

1. The 2022 to 2024 data includes Rainbow Chicken and Vector Logistics.
2. The 2024 data includes Vector Logistics only up to the point it was divested in the 2024 financial year. Rainbow Chicken is included for the full year.
3. The 2025 data excludes Rainbow Chicken and Vector Logistics as they were no longer part of the Group for 2025.

CORPORATE SOCIAL DEVELOPMENT/SOCIOECONOMIC DEVELOPMENT

	Standard	Unit of measure	2026	2025*	2024	2023	2022
Total Corporate Social Investment (CSI) expenditure	GRI 2-29, GRI 413	Rand	19 798 464	21 802 760	20 738 723	10 869 547	13 361 390
CSI/SED Spend as a percentage of Total Revenue Generated		%	0.08	0.08		0.03	0.04
CSI Spend as a percentage of Net Profit after Tax (NPAT)**		%	2.07	1.6		2.1	1.4
Percentage of Total CSI/SED Spend in South Africa		%	100	100		100	100
CSI/SED Spend on Education (Star Schools Project)		Rand	1 836 802.07	1 571 983	1 986 297.76	1 017 414	1 242 317
CSI/SED Spend on Skills Development, Including Adult Education and Training (AET)		Rand				620 000	128 000
CSI/SED Spend on Basic Needs & Social Development, including nutrition/feeding programmes		Rand	15 515 464	13 219 634	17 133 507.21	8 469 568	11 991 073
CSI/SED Spend on Infrastructure Development		Rand	568 984	833 905	243 186.02	200 000	14 271
CSI/SED Spend on Arts, Sports and Culture		Rand	749 954	1 497 346	1 375 732.33	562 564	
Enterprise Development Spend	GRI 2-29, GRI 413	Rand	29 224 741	29 971 399.42		16 088 096	11 132 697
B-BBEE Procurement Spend		(R'000)	11 251 850	12 441 951		13 954 043	11 669 411

* As at end June 2025. Excludes Rainbow Chicken and Vector Logistics.

** Net profit after tax, excluding material once-offs and accounting adjustments.

GLOSSARY AND ABBREVIATIONS

2026/the year	The financial year ended 28 June 2026	ECD	Early childhood development	LTI	Long-term incentive
ACI	African, Coloured and Indian	EPR	Extended Producer Responsibility	MSR	Minimum Shareholding Requirement
AFS	Annual Financial Statements	EPS	Earnings per share	NRM	Net revenue management
AGM	Annual General Meeting	ERM	Enterprise risk management	RECs	Renewable Energy Certificates
AI	Artificial intelligence	ESG	Environmental, social and governance	RES	Royal Eswatini Sugar Corporation
B-BBEE	Broad-Based Black Economic Empowerment	FMCG	Fast-moving consumer goods	ROIC	Return on invested capital
BEVSA	Beverage Association of South Africa	GHG	Greenhouse gas	SADC	Southern African Development Community
Board	Board of Directors	GRI	Global Reporting Initiative	SAFEX	South African Futures Exchange
CBJVs	Community-based joint ventures	HACCP	Hazard Analysis and Critical Control Point	SAR	Share appreciation rights
CEO	Chief Executive Officer	HEPS	Headline earnings per share	SARs	Share appreciation rights
CFO	Chief Financial Officer	IAR	Integrated Annual Report	SASA	South African Sugar Association
CGCSA	Consumer Goods Council of South Africa	IFRS	International Financial Reporting Standards	SHERQ	Safety, health, environment, risk and quality
CGUs	Cash generating units	ISO	International Organization for Standardization	STI	Short-term incentive
Company/Group/ RCL FOODS	RCL FOODS Limited	IT	Information technology	TCTC	Total cost to company
CSI	Corporate social investment	ITAC	International Trade Administration Commission	TGP	Total guaranteed pay
CSP	Conditional Share Plan	JV	Joint venture	TMO	Transformation Management Office
DFFE	Department of Forestry, Fisheries and the Environment	LED	Local Economic Development	VCP	Value creation plan

CORPORATE INFORMATION

SHAREHOLDERS' 2026 DIARY

Financial year-end	June 2026
Annual General Meeting	November 2026
Annual results announcement	August 2026
Abridged Annual Financial Statements distribution	September 2026
Interim report for half year to December	March 2026
Declaration of interim dividend	March 2026
Payment of interim dividend	May 2026
Declaration of final dividend	August 2026
Payment of final dividend	October 2026
Annual reporting suite published	September 2026

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FirstRand Bank
Investec Bank Limited
Nedbank Limited
The Standard Bank of South Africa Limited
Capitec Bank Limited

CORPORATE INFORMATION

RCL FOODS Limited
Incorporated in the Republic of South Africa

Registration number: 1966/004972/06

JSE share code: RCL

ISIN: ZAE000179438

Website: <https://rclfoods.com/investor-center/>



