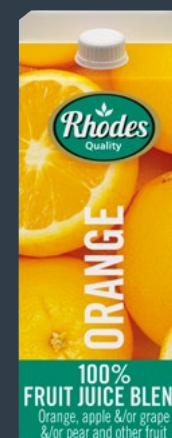


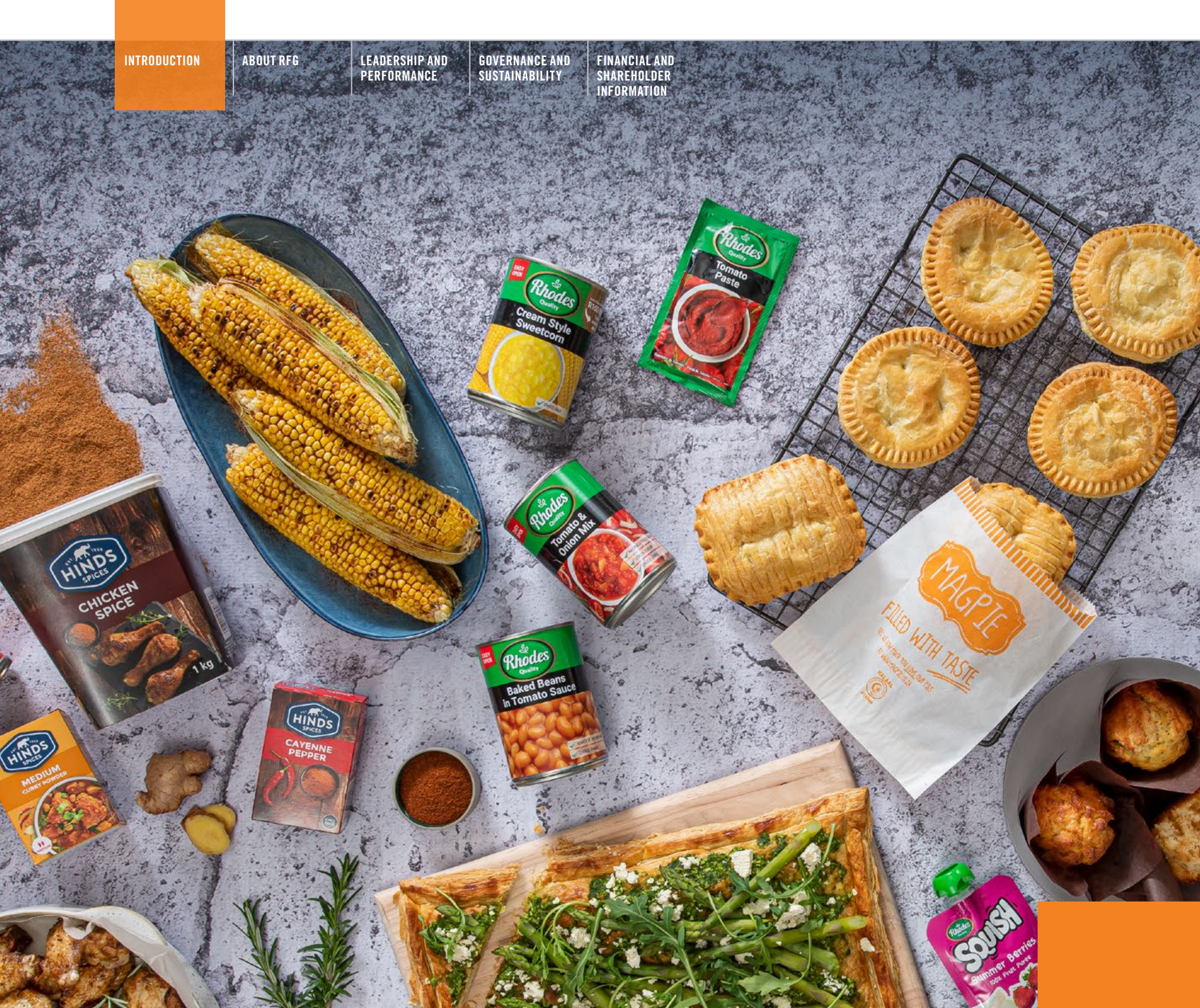
RFG

2023 INTEGRATED REPORT

for the year ended 1 October 2023

www.rfg.com





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THE INTEGRATED REPORT IS SUPPLEMENTED BY ADDITIONAL INFORMATION AND REPORTS WHICH ARE ALSO AVAILABLE ONLINE AT [+ WWW.RFG.COM](https://www.rfg.com):

Financial reporting

Annual financial statements
Annual results
Annual results presentation

Governance

Corporate governance report
King IV report

Sustainability

Sustainability report

The report is interactive

These tools will assist in navigating the report:

-  **HOME:** Back to contents page
-  **PREVIOUS VIEW:** Back to the previously viewed page
-  **READ MORE:** For further information within the report
-  **MORE INFORMATION:** Available online at www.rfg.com

Navigating the report

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

The impact of the six capitals on the group's operations and performance and their contribution to value creation, preservation and erosion is addressed throughout the integrated report. Icons have been included to aid navigation of the report and indicate where the specific capitals have been referenced in the report.

REVIEW OF 2023



Resilient revenue growth
supported by price increases

Group revenue
+8.7% to R7.9 billion

Margin expansion across
regional and international segments

Group operating profit
+32.0% to R757 million

Group operating margin
+170 bps to 9.6%

Robust earnings growth
reflects all-round performance

Diluted headline earnings per share
+35.4% to 185.9 cents

Dividend per share
+35.4% to 62.0 cents

Strong cash flows driven by
improved profitability and continued focus
on **working capital management**

Cash generated from operations
+59.8% to R1.1 billion

Significant improvement
in the group's debt position

Net debt-to-equity ratio improved
to **21.3%** from **36.2%**

Net debt to EBITDA improved
to **0.7 times** from **1.3 times**

“Our performance for the 2023 financial year ensured that the group made excellent progress in delivering on its medium-term financial targets.” Pieter Hanekom, Chief executive officer

PERFORMANCE AGAINST MEDIUM-TERM FINANCIAL TARGETS

		MEDIUM-TERM TARGET	ACHIEVED IN 2023
REVENUE GROWTH		GDP + CPI + 2.0% (0.6% + 5.4% + 2.0% = 8.0%)	8.7% (2022: 21.9%)
OPERATING PROFIT MARGIN		10.0%	9.6% (2022: 7.9%)
RETURN ON EQUITY		WACC + 2.0% (14.0% + 2.0% = 16.0%)	14.9% (2022: 12.5%)

INTRODUCING OUR 2023 INTEGRATED REPORT

Over the past year South African consumers have encountered mounting pressures in the macro-environment which have weighed heavily on sentiment and disposable income, contributing to a particularly challenging trading environment. Our 2023 Integrated Report aims to show in a balanced way how the group managed the impact of these external factors on value creation and preservation.

The report is again targeted mainly at our shareholders who are the primary providers of our financial capital, as well as the broader investment community. We also recognise the vital contribution and influence of all stakeholder groups, including our customers, employees, suppliers, financial institutions and industry regulators. We also embrace the role of the communities in which RFG operates as they provide the skills required by the business.

Reporting scope and boundary

The report covers material information relating to the group's strategy, material issues, risks, opportunities, operational and financial performance, and governance for the 52-week period ended 1 October 2023.

Summarised consolidated financial statements have been published in the Integrated Report, with the audited consolidated financial statements for RFG as well as the audited financial statements for the company available at www.rfg.com.

The financial reporting boundary covers the results of the regional and international operating segments. The regional segment, which includes South Africa and 13 other sub-Saharan African countries where the group's products are sold, accounts for 76% (2022: 75%) of the group's revenue. The international segment covers exports to all global markets excluding sub-Saharan Africa.

Governance and reporting frameworks

The Integrated Report reflects the group's commitment to good corporate governance, underpinned by the reporting principles of accountability, transparency, balance and materiality. We continue to apply the guiding principles of the Integrated Reporting Framework of the IFRS Foundation together with the King IV Report on Corporate Governance (King IV). In line with the group's incremental approach to adopting new frameworks, we have aligned our reporting with the JSE Sustainability Disclosure Guidance for the first time.

The JSE guidance has introduced and formalised the concept of double materiality, covering financial and impact materiality. Financial materiality is applied in reports and disclosures that are targeted primarily at shareholders and other providers of capital used in determining enterprise value. Impact materiality relates to the social, environmental and economic impacts of our operations. Our impact reporting is in its early stages, and we plan to enhance this in future years.

The Integrated Report applies double materiality as it covers content and disclosures that are material to investors and other providers of capital (financial materiality) as well as the impacts on people, the planet and profits (impact materiality).

We welcome and support the introduction of the sustainability reporting standards IFRS S1 and IFRS S2 by the International Sustainability Standards Board. RFG is required to adopt these standards from the 2025 financial year, with board oversight for the implementation assigned jointly to the audit, risk and information technology committee and the social and ethics committee.

Independent assurance

Reporting	Assurance process
Integrated report	Reviewed by the directors and management. The report has not been independently assured. The group's external auditor, Ernst & Young Inc (EY) has reviewed the accuracy of the financial information extracted from the consolidated financial statements that appears in the Integrated Report.
Financial statements	EY has provided assurance on the consolidated financial statements and the company financial statements, and expressed an unmodified audit opinion.
Sustainability disclosure	The social and ethics committee has reviewed all sustainability-related information in the Integrated Report. Management has verified the processes for measuring sustainability information. An independent, accredited service provider has reviewed and verified the group's BBBEE rating.

Integrated Reporting Framework

The framework recommends reporting to shareholders in terms of the six capital resources applied in the creation, preservation or erosion of value. These capitals are either increased, decreased or transformed through the activities of the business and should ultimately lead to value creation.

RFG has elected not to structure the Integrated Report according to these capitals and to rather deal with these capitals in the relevant sections of the report as follows:

Financial capital relates to the funding received from the providers of capital and the financial resources deployed by the company and is covered in the chief financial officer's report and the five-year performance review.



Manufactured capital is the physical infrastructure used in the production process, including the group's 14 manufacturing facilities, plant, equipment and the related storage facilities. This capital is discussed in the chief executive officer's report and the operations report.



Intellectual capital focuses on the knowledge in the organisation, systems, processes, intellectual property and brands. This capital is addressed mainly in the business model, group strategy, material issues, operations and corporate governance reports.



Human capital deals with the competency, capability and experience of the board, management and employees and is featured in the board of directors, executive management, remuneration and social and ethics committee reports.



Social and relationship capital deals with stakeholder relationships and engagement, corporate reputation and values. This is outlined in the stakeholder engagement, social and ethics committee and sustainability reports.



Natural capital focuses on the environmental resources utilised by the group and is detailed in the sustainability report.



Forward-looking statements

Shareholders will note that the Integrated Report includes forward-looking statements which relate to the possible future financial position and results of the group's operations. These are not statements of fact but rather statements by management based on current estimates and expectations of future performance. No assurance can be provided that these forward-looking statements will prove to be correct, and shareholders are advised to exercise caution in this regard.

The group does not undertake to update or revise any of these forward-looking statements publicly, whether to reflect new information or future events. The forward-looking statements have not been reviewed or reported on by the group's external auditor.

Directors' approval

The board is responsible for ensuring the integrity of the Integrated Report. The directors have collectively reviewed the report and confirm it addresses all material issues, the integrated performance and the outlook for the group. The audit, risk and information technology committee has oversight responsibility for integrated reporting and recommended the report for approval by the board of directors. The 2023 Integrated Report was unanimously approved by the board on 8 December 2023.

Dr Yvonne Muthien
*Independent
non-executive
chairperson*

Pieter Hanekom
*Chief
executive
officer*

Tiaan Schoombie
*Chief
financial
officer*

RFG's growing portfolio of market-leading brands, which includes Rhodes, Bull Brand, Magpie, Squish, Hinds and Today, is complemented by private label product ranges packed for major South African and international retailers.

ABOUT RFG



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GROUP PROFILE

MARKET LEADER IN CONVENIENCE MEAL SOLUTIONS

REGIONAL SEGMENT

LONG LIFE FOODS

South Africa and 13 other sub-Saharan countries

PRODUCT CATEGORIES

- Canned fruit
- Canned vegetables
- Jams
- Bottled salads and pickles
- Long life fruit juice
- Fruit purees
- Baby foods
- Canned meat
- Dry packed foods
- Fruit snacks in plastic cups
- Industrial pulps and purees

MARKET OFFERING

- Diversified product portfolio
- RFG's own brands: Rhodes, Bull Brand, Squish, Hinds, Bisto, Pakco and Southern Coating
- Private label ranges for all major domestic retailers

FRESH FOODS

South Africa

- Ready meals
- Pies and pastry products
- Deli bakery and snacking products
- Dairy products

- Long-term partnership with Woolworths
- Distribution of own pie brands: Magpie, Today and Mama's
- National pie supply agreement with Engen

INTERNATIONAL SEGMENT

Major global markets, including the USA, Canada, United Kingdom, Europe, Asia, Australasia and South America

- Canned fruit
- Fruit snacks in plastic cups
- Long life fruit juice
- Industrial pulps and purees

- Long-term supplier to global retail and premium branded customers. All private label (refer to the operations report on page 40)

RFG is a leading producer of convenience meal solutions for customers throughout South Africa, sub-Saharan Africa and multiple major global markets.

Founded in 1896, RFG was listed on the JSE Limited in 2014. Since the listing the group has concluded 10 acquisitions to expand and diversify its product offering and customer base and extend its market-leading brands into new product categories.

From its heritage in canned fruits and jams, RFG has diversified from the single Rhodes brand into a multi-brand food producer offering a balanced range of trusted, market-leading brands including Rhodes, Bull Brand, Magpie, Squish, Hinds and Today.

The growing portfolio of brands is complemented by private label product ranges packed for major South African and international retailers. Products are exported to global retail and premium branded customers, with the USA and Canada (30% of international sales), United Kingdom and Europe (30% of international sales) and Asia (18% of international sales) being the major export markets. RFG products are also sold in 13 other sub-Saharan African countries.

Based in Groot Drakenstein in the Western Cape, South Africa, RFG has a well-capitalised production base comprising 14 manufacturing facilities across South Africa and Eswatini.

The group's product development capability is centralised at Groot Drakenstein and is supported by a world class product development centre. A culture of continuous innovation across new product development and production processes ensures the group generates healthy organic growth and maintains long-term relationships with local and international customers.

RFG is committed to sustainable transformation. Business activities contribute to development, empowerment and the economic growth of the broader society, with the group maintaining its level 2 BBBEE rating in 2023.



Diversified and balanced brand portfolio

RFG's brands hold the number one or significant number two positions in most targeted product categories and have experienced steady market share growth in recent years.

The Rhodes brand remains the country's market leader in canned pineapple and canned tomato, supported by strong number two positions in fruit juice, canned fruit, jams and canned vegetables.

RFG is South Africa's leading manufacturer of canned fruit, jams and canned meat.

In the product categories which RFG has entered through acquisitions over the past 10 years, Rhodes is number two in fruit juice and baby foods, and Bull Brand is the market leader in corned meat. In retail frozen foods, Today, Mama's and Big Jack are the market leaders in pies and pastries and Today is the number one puff pastry brand.

Commitment to sustainability

RFG is committed to sustainable business and responsible environmental, social and governance (ESG) practices, which are essential in creating and sustaining long-term value.

The group's ESG practices are aligned with the Sustainable Development Goals (SDGs), the global objectives developed by the United Nations to be achieved by 2030.

RFG has identified five SDGs where its environmental sustainability programme can have the most significant impact. Refer to the sustainability report on pages 70 to 79 for detail on the group's response to these SDGs.

Ensure availability and sustainable management of water and sanitation for all



Ensure access to affordable, reliable, sustainable and modern energy for all



Ensure sustainable consumption and production patterns



Take urgent action to combat climate change and its impacts



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



BUSINESS MODEL

RFG's strategy is to be the supplier of choice for fresh, frozen and long life meal solutions in its selected markets.



INTELLECTUAL CAPITAL

Inputs

CAPITAL RESOURCES AND RELATIONSHIPS APPLIED IN THE GROUP'S BUSINESS ACTIVITIES



FINANCIAL CAPITAL

- Financial resources received from providers of capital
- Equity of R3.4 billion
- Borrowing facilities of R2.7 billion



MANUFACTURED CAPITAL

- Infrastructure used in the production and distribution of food products
- 14 production facilities and associated warehouses
- Agricultural land for pineapple (Eswatini) and dairy farming (Groot Drakenstein)
- Product development centre and technical centre located at Groot Drakenstein



HUMAN CAPITAL

- Competency, capability and experience of the board, executive and senior management, and employees
- 3 488 permanent employees
- Approximately 2 000 contract or seasonal workers
- Experienced executive and senior management team
- Skills development investment
- Stable and transformed board



INTELLECTUAL CAPITAL

- Collective knowledge and expertise across the business as well as the intellectual property of the group
- Brand equity and reputation
- Market and brand shares
- Technical knowledge
- Research and development capability
- Product and packaging innovation



SOCIAL AND RELATIONSHIP CAPITAL

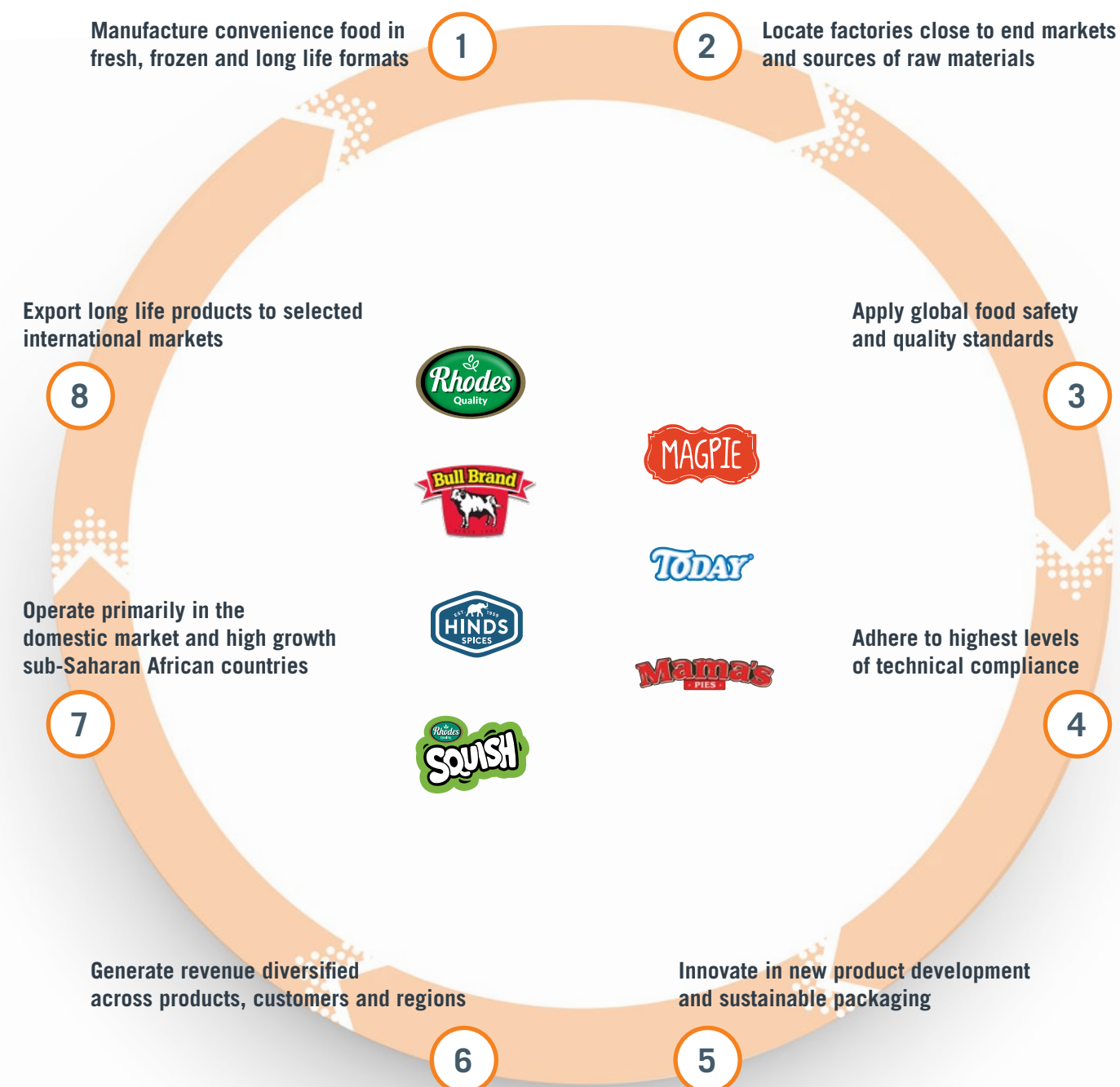
- Relationships with stakeholders influencing the business
- Long-term relationships with domestic and international customers
- Active engagement programme with shareholders
- Community support through CSI programme
- Membership of industry and professional bodies



NATURAL CAPITAL

- Environmental resources applied and utilised in the business
- Raw material and ingredients sourced locally and internationally
- Fuel, electricity and water used in manufacturing
- Renewable energy installations
- Land for farming
- Sustainable materials used in products and packaging

Operating model



Operating environment

- Weak economic environment
- Constrained consumer spending
- Severe power constraints

- High raw material input cost inflation
- Growing consumer awareness of sustainable consumption and packaging

Outcomes

STAKEHOLDERS IMPACTED BY CAPITALS	
FINANCIAL CAPITAL - Group revenue R7.9 billion - Operating profit R757 million - Headline earnings R488 million - Diluted headline earnings per share increased 35.4% - Dividend per share up 35.4% to 62.0 cents - Return on equity of 14.9%	SH
MANUFACTURED CAPITAL - Reinvested R288 million in capital expenditure - Solar power solutions installed at seven facilities	C S E
HUMAN CAPITAL - R1.2 billion paid to employees - Invested R17.4 million in training and development 3 243 employees underwent training 97% black and 45% female employees 56% black and 44% female non-executive directors	E
INTELLECTUAL CAPITAL - Leading market share in SA in canned fruit, jams and canned meat - Brands hold number one or strong number two positions in core product categories	E
SOCIAL AND RELATIONSHIP CAPITAL - R5.1 billion paid to suppliers of goods and services - R887 million paid to SMME suppliers - R7.1 million committed to socio-economic development programmes - Level 2 BBBEE rating	SH C S E
NATURAL CAPITAL Reduction in energy and waste intensity and GHG emissions in 2023	C S E

Stakeholders

SH Shareholders and providers of capital C Customers S Suppliers E Employees

OUTPUTS: RFG follows a dual strategy of producing branded products and private label ranges for major retailers

GROUP STRATEGY



RFG's strategy is to be the supplier of choice for fresh, frozen and long life meal solutions in its selected markets.

STRATEGIC PILLARS

Delivery against the objectives for the group's five strategic pillars should ensure sustained growth in the long-term and value creation for our stakeholders.

DIVERSIFIED
FOOD GROUP

VALUE ADD
MEAL SOLUTIONS

MARKET-LEADING
BRANDS

PARTNERSHIPS WITH
INDUSTRY LEADING
CUSTOMERS

WORLD-CLASS
MANUFACTURING
FACILITIES

DIVERSIFIED FOOD GROUP

STRATEGIC OBJECTIVES

- Ensure diversification across products, customers, regions and revenue streams
- Operate primarily in the domestic market and high growth sub-Saharan African countries
- Export long life products to select international markets and strive to be the global leader in value added fruit products
- Diversify markets and products through acquisition

ACHIEVED IN 2023

- Brand share gains in fruit juice, jams, canned vegetables, canned tomato, canned meat and spices
- Revenue diversified across regional long life foods (47%), regional fresh foods (29%) and international (24%)
- Regional revenue diversified across retail (57%), out-of-home (17%), wholesale (13%), Africa (8%) and other (5%)
- Products sold in 13 other sub-Saharan African countries, with revenue growth of 12.6%
- Diversified international customer base through expansion into South America (now 8% of international revenue)

PLANS FOR 2024

- Organic growth through market share gains
- Continue to diversify regional and international customer base
- Identify additional markets
- New product launches
- Further expansion of footprint in Africa
- Continue to evaluate acquisition opportunities aligned to the group's core product categories

VALUE ADD MEAL SOLUTIONS

STRATEGIC OBJECTIVES

- Offer convenience food in fresh, frozen and long life formats
- Focus primarily on grocery, fruit juice, baby food, pie and ready meals categories
- Grow the higher margin dry foods category
- Meal solutions across customer income groups
- Market leader in product, processes, and packaging innovation

ACHIEVED IN 2023

- Rhodes fruit juice range extended
- Rhodes canned Veggie Bowl vegetarian range launched
- Hinds spices range extended
- Today packaging upgraded
- Southern Coating new packaging format introduced
- Extensive ready meal new product development and upgrades for Woolworths
- New private label ranges for major food retailers in South Africa

PLANS FOR 2024

- Continued new product development and innovation
- Range and pack format extensions, especially in new categories
- New private label ranges for major food retailers
- Drive sales in frozen pie and snacking category
- Drive sales in fruit cup category into new international markets

MARKET-LEADING BRANDS

STRATEGIC OBJECTIVES

- Build RFG brands to occupy number one and two positions in target product categories through organic growth and value accretive acquisitions
- Accelerate growth in new segments and markets through acquisitions and new product launches

ACHIEVED IN 2023

- Number one brand share in canned tomato, canned meat and retail frozen pies and puff pastry
- Number two producer in categories of fruit juice, canned fruit, canned vegetables, jam and baby food
- Strong growth in Hinds herbs and spices range

PLANS FOR 2024

- Investment in core brands with high growth opportunities
- Grow brand shares, particularly in categories entered through acquisition
- Extend product ranges
- Further lateral product extensions

PARTNERSHIPS WITH INDUSTRY LEADING CUSTOMERS

STRATEGIC OBJECTIVES

- Produce ranges for select private label programmes
- Extend existing partnerships to customers in new categories and geographies
- Establish new long-term relationships with local and international customers

ACHIEVED IN 2023

- New private label ranges for major retailers including ready meals, fruit juices, dairy and pies
- In-country visits across six countries in South America, opened new business into both retail and industrial segments
- Expanded retail and industrial footprints with new accounts in the North American markets

PLANS FOR 2024

- Expand RFG brands into selected Asian and African markets
- Expand market opportunities in South America
- Increase buyer own brands exports to USA in both the retail and food service channels
- Further entrench RFG as the southern hemisphere supplier of choice for canned fruit supply and reduce the working capital constraints of this business unit
- Embrace and grow current relationships with regional customers

WORLD-CLASS MANUFACTURING FACILITIES

STRATEGIC OBJECTIVES

- Ongoing development and investment in production facilities and leading technology
- Locate facilities close to end markets and sources of raw materials
- Consolidate manufacturing plants to create production and cost efficiencies
- Certify production sites to international standards

ACHIEVED IN 2023

- R288 million invested in capacity expansion and enhancing production efficiency, including
 - Capacity expansion at ready meals Western Cape (Groot Drakenstein), fruit juice (Wellington) and pies and pastries (Aeroton) facilities
 - Canning equipment upgraded at meat products factory (Krugersdorp)
 - Expansion of pineapple plantations (Eswatini)
 - New and replacement generators to manage load shedding
- International food safety certifications including FSSC 22000, IFS Food Standard, BRC Global Standard for Food Safety (refer to [EQ](#) page 35 for further detail on food safety certifications)

PLANS FOR 2024

- Planned capital investment of R280 million
 - R40 million for expansion and annual replacement of pineapple plantations
- Continued focus on improving factory efficiencies
- Continued focus on cost savings and value engineering
- Increase throughput at the fruit products Western Cape plant to protect the quality of the South African canned fruits
- Drive sustainability initiatives across all production facilities

MATERIAL ISSUES, RISKS AND OPPORTUNITIES



MATERIAL ISSUE	1	2	3	4
	CONSTRAINED UTILITY SUPPLY	PRODUCT QUALITY AND SAFETY	CYBERCRIME AND INFORMATION SECURITY	STRATEGIC AND FINANCIAL IMPACT OF FIRE
WHY MATERIAL?	The business operations are highly dependent on electricity and water, and supply is severely constrained. The situation has been compounded by intensive load shedding by Eskom and water supply outages due to infrastructure failures	Product and packaging of the highest standards are essential for a food producer to ensure product quality and safety and customer satisfaction	Cybercrime could compromise the availability, integrity and confidentiality of IT resources and data, with breaches of application and data security and stakeholder privacy	The loss of manufacturing facilities, stock and production capacity due to fire, and the delay in restoring production, could have a material impact on revenue and profitability
RISKS	- Unstable electricity supply impacting production output, efficiencies and costs - Loss of production negatively impacting revenue - Costs to mitigate the impact of load shedding impacting profitability, including diesel, maintenance costs and depreciation of generators - Extensive diesel usage leading to increased carbon emissions - Power outages also affecting water supply at manufacturing facilities - Security of water supply and water quality from local authorities which could impact production - Rising utility costs negatively impacting margins	- Harmful effects on the health of consumers, including the possibility of death - Product recall owing to compromised food safety standards - Customer claims arising from product quality or packaging failure - Potential adverse financial impact and negative effect on brand reputation - Increasing consumer activism	- Unavailability of IT resources - Misuse, corruption or loss of data - Breaches of stakeholder privacy, loss of stakeholder data and theft of intellectual property - Security breaches could result in legal liability and reputational damage - Operational technology in factories could be compromised which impacts production - Employees working from home increase exposure to cybercrime - Limited capacity for cybercrime insurance cover	- Endangering human lives - Fires impacting production output, resulting in stock shortages - Loss of physical facilities and time delay to rebuild - Temporary or permanent loss of customers owing to inability to fulfil order requirements - Loss of profits, particularly if the interruption due to fire is for a prolonged period - Reduced insurance capacity to insure fire risk - Potential negative impacts on the environment, including air, land and water contamination or endangering animals and vegetation
OPPORTUNITIES AND MITIGATION PLANS	- Generators installed at all production plants in South Africa to ensure consistency of electricity supply - Investment in renewable energy, with solar power installed at seven facilities and a further four installations planned for the 2024 financial year - Continually evaluate alternative water sources - Increase water storage capacity at certain plants - Ensure alternative sources of water supply, including boreholes at production plants - Increase water saving through use of recycled water - Business continuity plans updated to cover the eventuality of operating for extended periods without electricity and/or water	- Maintain high standard of technical and quality assurance programmes at all production facilities - Operate two accredited microbiological testing facilities in the group - Source raw and packaging materials from well-established reputable suppliers - Production facilities certified to international food safety standards - Third party technical audits undertaken on behalf of international and domestic customers - Global insurance cover for product recall liability	- Continued reviews of IT security policies and procedures to address potential systems vulnerabilities - Cyber risk audits undertaken by both internal and external auditors - Implementation of robust monitoring processes to address potential breaches of IT security - IT resources and data stored and managed offsite by third party service provider - Only authorised access allowed to the group's networks - Implement IT policies and procedures across operational technology environment - Continually review and enhance IT governance to augment insurance cover for cybercrime	- Fire prevention plans developed for each manufacturing site - Fire protection standards implemented at all sites - Sprinkler systems installed at several manufacturing plants - Business continuity plans to ensure expeditious response and recovery from disruptions caused by fire - Insurance cover for loss and damage to assets and loss of profits

Material issues are identified by management and the board which could have a significant impact on the group's revenue and profitability, and therefore influence RFG's ability to create and preserve value for shareholders. Risks and opportunities are presented for each material issue. The material issues are reviewed annually by the directors and are unchanged going into the 2024 financial year.

MATERIAL ISSUE	5	6	7	8
	CIVIL AND POLITICAL CLIMATE INSTABILITY	ECONOMIC AND TRADING ENVIRONMENT	SUPPLY CHAIN DISRUPTION	CLIMATE CHANGE
WHY MATERIAL?	Protest action in response to civil and political instability could endanger lives, damage property and infrastructure, and impact on production output, ultimately affecting revenue and profitability	Weak economic conditions in South Africa, compounded by rising energy, food and borrowing costs, have severely impacted consumer disposable income	Challenges in the supply chain impact shipments to export markets and the import of raw materials, while also impacting road transportation in the domestic market	Climatic conditions impact fruit and vegetable crops which form a large proportion of the group's raw material purchases as well as the livestock food supply chain
RISKS	- Unrest impacting on production output and supply chain resulting in stock shortages - Loss or damage of physical facilities which could take time to rebuild - Temporary or permanent loss of customers owing to inability to fulfil order requirements - Loss of profits, particularly if business is interrupted for an extended period - Impact on the economy if civil unrest is widespread - Increased security costs - Limited local political riot insurance capacity at significantly higher insurance premiums	- Weak economic conditions reducing disposable income of consumers - Higher raw material input costs creating inflationary pressures - Customer and consumer resistance to increased selling prices - Margin contraction due to pricing pressure and significant cost increases - Lower revenue and resultant weaker cash flows	- Operational pressures resulting in congestion at local ports, with the shipping backlog impacting exports and imports - Shipping lines bypassing the port due to slow turnaround and waiting time in the harbour - Extreme weather conditions hampering port operations and shipments - Protest and industrial action impacting ports as well as causing disruption to supply by road and rail	- Natural disasters, drought and crop failure could limit fruit and vegetable crops and impact on product quality and volumes, and ultimately revenue and profitability - Downstream cost inflation on meat and chicken prices which impact margins
OPPORTUNITIES AND MITIGATION PLANS	- Production facilities are spread across the country which mitigates disruption if civil unrest is localised - Business continuity plans to address disruption of production facilities - Political riot insurance cover purchased on international market	- Further diversify customer base and product range across all income segments - Exposure to higher income customers through fresh foods business as these customers are more resilient to economic pressures - Exposure to lower income product categories can be a benefit when consumers trade down - House brand ranges produced for major retailers to benefit from down trading - Tight cost management to limit margin dilution from higher raw material costs	- Broader range of shipping lines and service providers used in the supply chain to spread risk - Earlier placement of orders to enable timely delivery - Higher stock of raw materials held to cater for unplanned shipping delays - Dual supply agreements concluded to mitigate delays - Develop close working relationships with shipping lines	- Production facilities are spread across South Africa and located close to fruit and vegetable crop growing areas - Sourcing from different climatic zones - Diverse supply base and use of multiple suppliers - Diversify product offering across several categories to reduce exposure to any specific crop

INVESTMENT CASE



MARKET-LEADING BRAND PORTFOLIO SUPPORTED BY PRODUCT AND PACKAGING INNOVATION

- RFG brands are category leaders or hold strong number two market share positions
- Well balanced brand portfolio, with expansion of brands through acquisition
- Focus on brands with high growth potential to expand into new and adjacent categories
- Ongoing innovation and new product development for RFG brands and private label ranges
- Continued growth in market shares, particularly in new categories entered through acquisition

WORLD-CLASS PRODUCTION FACILITIES WITH CAPACITY FOR GROWTH

- 14 food production sites across South Africa and Eswatini
- Sites well located close to end markets or sources of raw materials
- Surplus production capacity allows for increased utilisation and operational leverage
- All facilities able to operate at full capacity during phased load shedding
- Well-capitalised and maintained asset base provides a significant competitive advantage

ORGANIC AND ACQUISITIVE GROWTH SUPPORTED BY CAPITAL INVESTMENT

- Ten acquisitions completed since 2014, enabling entry into new product categories, brands, markets and customers
- Management team has a proven ability to integrate acquisitions, with the recent Today acquisition successfully integrated and making a meaningful revenue and profit contribution
- R1.2 billion invested in production capacity expansion, efficiency improvements and infrastructure in past five years
- Ability to access capital and debt markets to fund growth; improved balance sheet structure creates capacity to raise debt to fund acquisitions if opportunities arise

ATTRACTIVE CORE MARKETS WITH LONG-TERM GROWTH POTENTIAL

- South Africa: Strong brands positioned for expansion and long-term growth despite constrained market conditions in the short- to medium-term
- Sub-Saharan Africa: Long life product portfolio attractive in 13 African markets; long-term relationships with major distributors and customers in Africa
- International: Sustained demand for South African premium quality canned fruits and fruit snacks in plastic cups
- Diversifying the international customer base into South America and expanding the sales of long life juice products in the broader international market

LONG-TERM RELATIONSHIPS WITH DOMESTIC AND INTERNATIONAL CUSTOMERS

- Relationships of more than two decades providing private label ranges to major food retailers in South Africa, United Kingdom, Europe, North America, Asia and Australasia
- Long-term relationships supplying products to leading global brands including Del Monte and Dole
- Strong long-standing relationships in the industrial market segment, supplying bulk fruit purees and concentrates to leading global juice manufacturers

EXPERIENCED MANAGEMENT TEAM WITH EXTENSIVE INDUSTRY EXPERTISE

- Eight-member executive team has an average 14 years' experience with RFG
- Short- and long-term incentive schemes for executive directors closely aligned with interests of shareholders, with minimum shareholding required by executive directors
- Strong and experienced senior management supporting the executive team provides succession candidates for key positions

RFG's strong market position, well balanced brand portfolio and long-term customer relationships position the group favourably for growth. While the constrained trading environment will impact growth in the short term, the directors believe the investment case remains robust and should enable RFG to deliver competitive returns and create value for shareholders in the medium to long term.



MANAGING STAKEHOLDER ENGAGEMENT

SOCIAL AND RELATIONSHIP CAPITAL



Regular proactive engagement with key stakeholders allows the group to identify and address opportunities, concerns and risks, supporting sustainable value creation. The group engages with a wide range of stakeholders who have a direct or indirect impact on the business, while the engagement programme focuses primarily on those key stakeholder groups who are most likely to have a material influence on the business, namely **shareholders, customers, suppliers** and **employees**.

Management assesses the quality of these relationships on an ongoing basis to ensure the group understands, considers and responds to the legitimate needs, interests and concerns of its stakeholders. This report details the key engagement issues for the primary stakeholders over the past year and how the group responded and addressed these issues.

Shareholders

ENGAGEMENT ISSUES IN 2023

RESPONSE TO ENGAGEMENT ISSUES

Managing the impact of ongoing electricity load shedding as well as the mitigation plans and costs to limit the impact of power outages on production.

All production facilities are equipped to operate at full capacity on generator power during load shedding. The group spent a further R25 million on new and replacement generators and incurred additional diesel costs of R66 million for the year. Solar energy solutions have been installed at seven facilities as part of the investment in renewable energy to supplement power.

Ability to recover higher input costs from customers.

The group successfully recovered a significant portion of the higher raw material and packaging input costs encountered over the past two years, reflected in the price inflation of 15.5% in the regional business.

Trading in an environment of increasing pressure on consumer spending due to higher energy, fuel and food costs as well as rising interest rates.

Slower consumer spending contributed to volume pressure in the regional business which was compounded by higher levels of competitor promotional activity in response to the weaker demand. While regional volumes declined by 6.6% for the year, the rate of volume decline slowed in the second half and is lower than the market in comparable categories.

Customers

ENGAGEMENT ISSUES IN 2023

RESPONSE TO ENGAGEMENT ISSUES

Regional segment

Recovering high input cost inflation in the regional market.

Continued the strategy of engaging with customers to recover inflationary costs through increasing product prices. The level of cost recovery is reflected in the average 15.5% price increase in the regional business.

The constrained consumer spending environment created volume pressure in certain product categories and overall volumes declined in the reporting period.

Ongoing engagement with customers to identify opportunities for strategic and innovative promotional and marketing activity across all core categories to drive sales volumes. Continued innovation in product development to offer alternative meal solutions across all income groups as well as seeking opportunities to increase the customer base with a wider range of products.

International segment

Recovering high input cost inflation in the international market.

In-market engagement with customers across the globe detailing cost push pressures and the resulting price increases.

Identifying and securing new customers.

Continued diversification into new markets to spread the additional volume due to a decline in sales to certain traditional accounts.

Reducing pressure on working capital.

Actively pursuing customers who are able to source canned fruit from the northern and southern hemispheres. Selling to customers over a shorter period immediately following the southern hemisphere canning season would reduce the group's working capital costs.

Suppliers

ENGAGEMENT ISSUES IN 2023

RESPONSE TO ENGAGEMENT ISSUES

Security of supply of raw and packaging materials.

Regular engagement with key suppliers to ensure consistent supply. Continued diversification of supply by establishing dual supplier arrangements for all key raw and packaging materials. The need for alternative sources of supply became evident during the global supply chain challenges in the post Covid-19 environment and more recently with the outbreak of avian flu in South Africa which severely impacted chicken and egg supply.

Employees

ENGAGEMENT ISSUES IN 2023

RESPONSE TO ENGAGEMENT ISSUES

Health, safety and well-being of employees.

RFG's employee assistance programme supports staff 24/7 in dealing with psychological, social and health safety. A wellness buddy system will be introduced to address immediate health and wellness risks while the network of mental health champions will be expanded.

Talent development.

Talent development continued to focus on creating a robust succession pipeline and gender-neutral development programmes for critical roles in the group. Employment equity remains a priority, particularly in relation to fast-tracking females with high potential into key roles, aligning with the group's transformation objectives.

Diversity, equity and inclusion in the workplace.

Management strives to cultivate a working environment that values fairness, embraces diversity and fosters inclusivity. The focus areas of the employment equity strategy aimed at addressing underrepresentation in the workplace are gender diversity, racial and ethnic diversity, and employing differently abled individuals.



RFG has an experienced management team with extensive industry expertise, with the eight-member executive leadership team having an average of 14 years' company experience.

LEADERSHIP AND PERFORMANCE

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“Our board is diverse in its composition and in the unique experience each director brings to the boardroom, ensuring that the interests of all stakeholders are represented and addressed.”



Dr Yvonne Muthien
Independent
non-executive chairperson



CHAIRPERSON'S LETTER

Dear Shareholders

It is a pleasure to report on our 10th set of financial results since RFG Holdings listed on the JSE in October 2014. Over this period the group has grown revenue three-fold while increasing diluted headline earnings per share (HEPS) by more than four times.

2023 has seen the growth momentum continue as the group posted a resilient performance under highly constrained trading conditions.

Rising electricity, fuel and food prices have dampened consumer spending, and increased interest rates have placed further pressure on cash-strapped South African consumers. The increased demands on disposable income created volume pressure across several of RFG's product categories in the past year.

The group's revenue increased by 8.7% to R7.9 billion, supported by price inflation of 12.9% as volumes declined by 8.3%. The regional and international businesses both expanded operating profit margins, increasing operating profit by 63.0% and 17.0% respectively. This translated into an improvement in the group operating margin of 170 basis points to 9.6% and a 32.0% growth in operating profit to R757 million. Headline earnings rose by 35.3% to R488 million and the board declared a dividend of 62.0 cents per share, in line with the group's dividend policy.

The management team is to be commended for the outstanding performance of the past year which included strong cash generation, improved working capital management, a significant reduction in debt levels and enhanced returns to shareholders.

In the past five years, the group has grown diluted HEPS at a compound annual rate of 22.0% and dividends per share by 22.1%. This performance is particularly noteworthy considering

the unprecedented financial and operating challenges presented by the global Covid-19 pandemic, geopolitical turmoil, major climate-related events, the civil unrest in KwaZulu-Natal in 2021 and persistent load shedding during this period.

During the year we bade farewell to two board stalwarts. Bruce Henderson, who served as CEO of the group for 22 years and was appointed as a non-executive director following his retirement as CEO, stepped down from the board and social and ethics committee in April 2023. Our lead independent non-executive director, Mark Bower, retired from the board in June 2023 after serving as a director since shortly before the group's listing in 2014. Mark was also the chairperson of the audit, risk and information technology committee and a member of the remuneration committee. We thank Bruce and Mark for their exemplary service to the group over many years and wish them well in the next chapters of their lives.

The board welcomed Venessa Naidoo as an independent non-executive director in May 2023. An experienced chartered accountant and company director, Venessa succeeded Mark Bower as chairperson of the audit, risk and information technology committee. Thabo Leeuw, a highly experienced board member for the past nine years, was appointed as the new lead independent non-executive director.

Our board is diverse in its composition and in the unique experience and insights that each director brings to the boardroom. This ensures balanced decision-making and that the interests of our varied stakeholders are represented and addressed. Black directors comprise 56% of the board, relative to the voluntary target of 50%. Female representation of 44% exceeds the voluntary target of a minimum of 30% women on the board.

The group's integrated environmental, social and governance (ESG) strategy has been aligned with five of the United Nations Sustainable Development Goals where we believe the group can make a meaningful contribution to addressing environmental and societal challenges. Investing in renewable energy infrastructure is a key component of our ESG strategy. While the country's energy crisis has accelerated this investment, it does not lessen our resolve to maximise the environmental benefits of utilising clean energy from sustainable sources.

Solar energy solutions have been installed at seven production facilities across the country as well as the dairy farm at Groot Drakenstein. A further four installations are being planned and by the end of the 2024 financial year, 11 of our 14 production facilities will be solar-enabled.

The group continued to make sound progress towards achieving its environmental efficiency targets for 2025. In the reporting period we reduced our energy, carbon emissions and waste management intensity, with the detailed performance outlined in the sustainability report on pages 70 to 79.

We have committed to setting science-based targets in the new financial year to be achieved by 2030, aligning the group with the objectives of the Paris Agreement to move towards net zero carbon emissions by 2050.

RFG is committed to the spirit and principles of broad-based black economic empowerment (BBBEE) as well as compliance with the AgriBEE codes which apply to the agricultural and food production sector. We are proud to have improved our overall BBBEE score to 97.6 points from 96.2 points a year ago, maintaining our level 2 rating. Pleasing progress has been made in the ownership, management control and socio-economic development elements of the scorecard. As recently as 2019, our BBBEE rating was level 8, which highlights our sustained improvement over the past few years.

In the IRAS Sustainability Data Transparency Index for 2023, which ranks all JSE listed companies, RFG improved its ranking to joint third out of 15 companies in the food and beverage sector. The group improved its overall score in the index to 78.37% from 71.57% in the prior year.

As part of our commitment to elevating sustainability reporting to stakeholders we are aligning our disclosures with the JSE Sustainable Disclosure Guidance released in 2022. We support the introduction of the inaugural sustainability reporting standards IFRS S1 and IFRS S2 by the International Sustainability Standards Board. These global sustainability and climate-related standards will benefit companies and investors alike, aligning international reporting and ensuring comparability of ESG disclosures across all markets. RFG is required to adopt these standards from its 2025 financial year, with board oversight for the implementation assigned jointly to the audit, risk and information technology committee and the social and ethics committee.

Environmental sustainability and transformation are both non-financial performance measures which are incorporated in the group's short-term incentive scheme. The performance against the environmental efficiency targets and the BBBEE elements of employment equity and preferential procurement carry a combined 20% weighting in the determination of executive incentive bonuses.

As we close off on a challenging yet rewarding year, I thank our CEO Pieter Hanekom, our CFO Tiaan Schoombie and the rest of the executive team for their astute leadership in ensuring that the group not only survived, but thrived in the challenging trading environment. I also thank all employees at our operations for their support and resilience in these demanding times.

Thank you to my fellow non-executive directors for their guidance, wise counsel and strategic insight. I thank Thabo Leeuw, our lead independent director, Venessa Naidoo, Selomane Maitisa, Bongiwe Njobe, Chad Smart and Garth Willis for collectively supporting me in ensuring that our board oversight aligns with best practice and industry standards.

Thank you to our shareholders for your continued belief in our investment case. We also thank our external stakeholders, including our customers, suppliers, lending institutions, regulators and communities, for your continued support, interest and engagement with RFG.

As we approach the end of 2023 and look forward to a well-deserved break with our families, I wish you all a safe, healthy and happy holiday season and may 2024 be a year of personal well-being and professional prosperity.

Kind regards

Dr Yvonne Muthien
Independent non-executive chairperson

BOARD OF DIRECTORS



HUMAN CAPITAL



DR YVONNE MUTHIEN (67)

Independent non-executive chairperson

BA (Hons), MA, DPhil

Chairperson of the nominations committee

Appointed 2014

Yvonne is a non-executive director of the SA Reserve Bank, the SA SME Fund and Aspen Pharmacare. She was previously chairperson of Bankserv and the Sasol Foundation as well as non-executive director of Santam, Sanlam Investments and the Thebe Investment Corporation. Yvonne was also previously chief executive of group services and an executive director of Sanlam Limited, vice-president for Coca-Cola Africa, and group executive at MTN Group.

She has substantial experience in academia, as well as in public service and private sector executive management.

THABO LEEUEW (60)

Independent non-executive director

BCom, BCompt (Hons), MAP

Lead independent director

Chairperson of the remuneration committee

Member of the audit, risk and information technology committee

Member of the nominations committee

Appointed 2014

Thabo is the CEO of the Thesele Group, an investment holding company he co-founded in 2004. He is the independent non-executive chairperson of Hulamin, non-executive chairperson of Vexila, non-executive director of M&G Investments South Africa and an independent non-executive director of Attacq. Vexila and M&G Investments are both Thesele Group portfolio companies. Thabo was global director at Cazenove and director at Cazenove SA where he spent nine years. He also previously held the position of independent chairperson of ICAS SA.

VENESSA NAIDOO (60)

Independent non-executive director

BAcc, Dip Acc (Post Grad), CA(SA), SEP

Chairperson of the audit, risk and information technology committee

Member of the nominations committee

Appointed 2023

Venessa is an independent non-executive director of OUTsurance Group and five companies in the OUTsurance Group as well as Lesaka Technologies Inc. She is a member of the audit, risk and compliance committee of OUTsurance Group and Lesaka Technologies Inc. She was a founding shareholder and served as a director and chief financial officer of Smile Telecoms Holdings from 2007 until 2020. Prior to that she served as the group financial director of Johnnic Entertainment.

BONGIWE NJOBE (61)

Independent non-executive director

MSc Agric Eng

Chairperson of the social and ethics committee

Member of the remuneration committee

Member of the nominations committee

Appointed 2017

Bongiwe has extensive experience in the development and implementation of sustainable agricultural and transformative social development strategies and programmes in the public and private (FMCG and financial) sectors. She served on the IODSA Task Team for Sustainability and set up the Tiger Brands Foundation and the Social Investing Office at FirstRand Limited. She is an independent non-executive director and chairs the Forum for Agricultural Research in Africa, the Perishable Products Export Control Council and the Nala Sustainable Agriculture Fund advisory board. She is also a trustee of the Old Mutual Foundation.

SELOMANE MAITISA (60)

Independent non-executive director

BCom, MBA, MAP

Member of the audit, risk and information technology committee

Member of the social and ethics committee

Appointed 2020

Selomane serves as a non-executive director of Phatsima Properties and Alpha South Africa. She previously served as an executive director for Titan Marketing, DraftFCB SA and Metropolitan Health Group Holdings and was an independent non-executive director at Metboard Properties, Imperial Logistics, Voith Turbo SA and Integrated Ship Handling.



CHAD SMART (51)

Non-executive director

BCom (Hons), CA(SA), CFA

Appointed 2012

Chad co-founded the Capitalworks group in 2006. He has over 20 years' experience in private equity investing and corporate finance. He serves on the board of a number of portfolio companies of the Capitalworks group, including Petmin Holdings and Citadel Holdings. He has served on the boards and sub-committees of both private and public companies in a wide range of industries across multiple geographies.

GARTH WILLIS (51)

Non-executive director

BCom (Hons), CA(SA)

Member of the remuneration committee

Member of the social and ethics committee

Appointed 2012

Garth is a principal of Capitalworks' private equity funds and has over 20 years' experience in private equity investing and corporate finance. He currently serves on the boards of Minet Holdings Africa, Rosond Holdings, DGB, Citadel Holdings and the Infrastructure Specialist Group.

He has previously served on the boards of companies operating in a wide range of industries and contributed to the full spectrum of governance sub-committees. He has also served on the executive committee of the South African Venture Capital Association and was chairperson of the association's black economic empowerment sub-committee.

PIETER HANEKOM (59)

Chief executive officer

BAcc, BCompt (Hons), CA(SA)

Appointed as a director in 2020

Pieter spent several years at Pioneer Foods where he held various senior management positions. He was the managing director of Ceres Fruit Juices and later the executive responsible for the Ceres Beverage Company.

He joined the group in 2015 as managing director of long life beverages and led the group's successful entry into the fruit juice market. He was appointed as managing director: long life foods in 2017 and was promoted to deputy CEO in July 2020. He was appointed CEO on 1 October 2021.

TIAAN SCHOOMBIE (61)

Chief financial officer

BCompt (Hons), CA(SA)

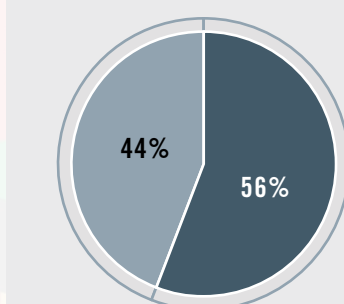
Appointed as a director in 2012

Tiaan has been the group's chief financial officer for 23 years. Prior to joining the group, Tiaan spent nine years at Deemster Foods in financial management and ultimately as general manager of the operation.



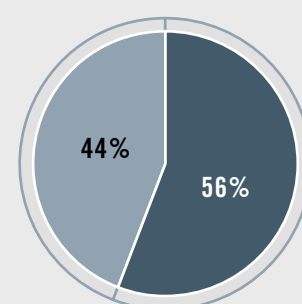
PROFILE OF BOARD OF DIRECTORS

Race



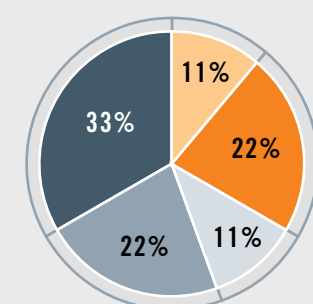
■ Black ■ White

Gender



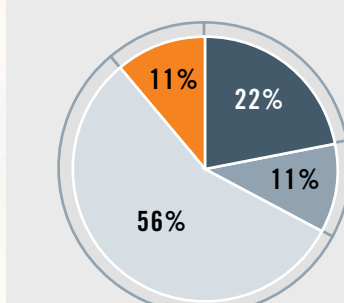
■ Male ■ Female

Tenure



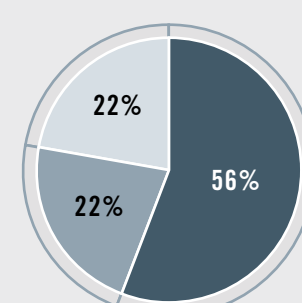
■ <1 year ■ 3 years ■ 6 years
■ 9 years ■ 11 years

Age



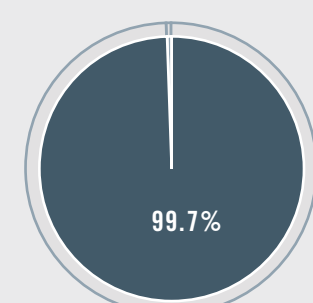
■ 50-54 ■ 55-59
■ 60-65 ■ 66-70

Classification



■ Independent non-executive
■ Non-executive
■ Executive

Meeting attendance*



■ Attendance

* The directors achieved a 99.7% (2022: 97.7%) level of attendance at board and committee meetings.

EXECUTIVE MANAGEMENT



HUMAN CAPITAL

**PIETER HANEKOM** (59)

Chief executive officer

BAcc, BCompt (Hons), CA(SA)

Pieter spent several years at Pioneer Foods where he held various senior management positions. He was the managing director of Ceres Fruit Juices and later the executive responsible for the Ceres Beverage Company. He joined RFG in 2015 and was appointed as deputy chief executive officer in July 2020. Pieter was appointed CEO on 1 October 2021.

JACQUES CILLIERS (55)

Operations director: Long life foods

M.Eng (mech) (cum laude)

Jacques started his career with Clover and then moved to Pioneer Foods where he held various senior positions. He was the executive responsible for operations at the Pioneer beverage and snacks factories. He joined RFG in 2015 as general manager of the juice factory in Wellington. He was appointed to his current position in October 2021.

CON COSTARAS (58)

Managing director: Fresh foods

BSoc Sc (Hons – Bus Econ), BCom (Hons)

Con joined the group in 2001 as the general manager of the fresh foods division. Prior to joining the group, Con was a senior manager at Halls and First Lifestyle, and commercial head for prepared foods at Woolworths.

BERNADETTE LAKEY (54)

Corporate affairs director

BCom, PGDA, CA(SA)

Bernadette spent several years in financial management in the dairy industry. She joined the group in 2012 as a divisional financial manager before establishing the corporate affairs function when the group listed in 2014. In May 2018, Bernadette was also appointed as the company secretary for RFG Holdings Limited.

**JOB MPELE** (54)

Commercial director

BA (Law), LLM, MBL

Job previously held the dual positions of head of human resources and head of commercial for Coca-Cola in Eswatini. In 2003 he joined the group as human resources manager at the Eswatini operations. In 2010 Job was appointed as human resources director and was appointed to his current position in 2019.

RICHARD PHILLIPS (54)

Divisional managing director: International

MSc, MBA

Richard joined the group in 2003 to head up the International sales office. He was general manager of this division for six years before being seconded to head the group's canning operations in Eswatini. He moved back to the head office in 2010 as commercial director. In 2018 he left the group to pursue personal endeavours, rejoining the business in 2021 in his current position.

TIAAN SCHOOMBIE (61)

Chief financial officer

BCompt (Hons), CA(SA)

Tiaan has been chief financial officer of the group for the last 23 years. Prior to joining the group, Tiaan spent nine years at Deemster Foods in financial management and ultimately as general manager of the operation.

NORMA WELMAN (48)

Group human resources director

BA (Psych), HDE, B.Ed Psych, PMT (HPCSA), SMP

Norma has over 22 years experience as a human resources professional and is a registered psychometrist. She has held senior human resources management roles in the manufacturing, finance and engineering sectors. Norma was a divisional human resources manager for Sea Harvest Corporation before joining RFG in February 2023.

“Our diversified brand portfolio, expanding market shares and private label offering, together with well-established customer relationships, position the group to continue to deliver ongoing value for shareholders.”



Pieter Hanekom
Chief executive officer



CHIEF EXECUTIVE OFFICER'S REPORT

RFG produced a strong and resilient performance in the current constrained consumer environment, overcoming major operational and economic headwinds to deliver on its commitments to shareholders.

Group revenue increased by 8.7% to R7.9 billion, with growth being driven by price inflation of 12.9% as the group successfully recovered the high input cost increases of the past two years. Slower consumer spending in the weak domestic market and a planned reduction in international export volumes resulted in total group volumes declining by 8.3%.

The regional business, which includes our operations in South Africa and the rest of Africa, increased revenue by 9.8%. The pie category was the standout performer, supported by the sustained growth of the Today business which we acquired in 2022 and the leverage from the consolidation of our pie production facilities over the past two years. Fruit juice, herbs and spices also reported double-digit revenue growth.

Sales into the rest of Africa increased by 12.6%, ahead of the revenue growth rate in South Africa.

The international division, which accounted for 24% of total revenue, grew by 5.3%. Firm international selling prices and the tailwinds from the weaker Rand were offset by a 13.6% volume decline after production volumes returned to historical levels.

The regional operating profit recovered strongly by 63.0% to R527 million. The operating margin expanded from 5.9% to 8.8% mainly due to cost recoveries, efficiency gains from effective capital investment in the production facilities as well as the robust performance of the pie category.

Profitability in the international segment increased by 17.0% to R245 million, supported by stable export pricing across the product portfolio and the weakening of the Rand against the

group's basket of trading currencies. The operating margin improved from 11.7% to 13.0%.

The contributions from the regional and international segments increased the group's operating profit by 32.0% to R757 million as the operating profit margin improved from 7.9% to 9.6%.

The financial performance is covered in the chief financial officer's report on [E](#) pages 30 to 32 with the segmental performance detailed in the operations report on [E](#) pages 34 to 43.

Medium-term targets

The performance for the year ensured that the group made pleasing progress in delivering on its medium-term financial targets. The revenue growth target was again exceeded while the operating profit margin improved by 170 basis points to 9.6%, relative to the targeted 10%. The return on equity increased from 12.5% to 14.9%, exceeding the group's weighted average cost of capital of 14.0% (refer to [E](#) page 3).

Market share

RFG maintained its market share positions in core product categories, with strong growth in its share of the fruit juice market. In the product categories which RFG has entered through acquisitions in the past decade, Rhodes is the number two brand in fruit juice and baby foods, and Bull Brand is the market leader in corned meat. Today, Mama's and Big Jack are the market leaders in retail frozen pies and Today the number one puff pastry brand. In the dry foods portfolio, our Bisto and Hinds Southern Coating brands hold the number one positions.

Constrained trading environment

The 2023 performance should be evaluated against the background of the extremely challenging low growth, high inflationary trading environment, where consumer disposable income has been under severe pressure.

The food manufacturing sector has encountered serious challenges. It is a credit to the commitment and tenacity of our operational management at our factories that the group has not only mitigated many of these obstacles but at the same time improved margins by generating further operating efficiencies.

Load shedding continued to be our single largest operational challenge as the group managed the impact of erratic electricity supply on production, ensuring all our factories were able to operate at full capacity during power outages. While we have invested extensively in back-up power generation over the past seven years, we spent a further R25 million on new and replacement generators this year, with diesel costs to operate the generators totalling R66 million. Solar energy solutions have been installed at seven of our production facilities, supplementing approximately 10% to 15% of the electricity supply.

The outbreak of avian flu in April 2023 was a further challenge for the food sector. This not only impacted the availability of eggs and chicken but also inflated input costs. RFG's ready meals and pie categories were the most affected by the shortages and our prices were increased to recover the higher costs. Fortunately, the lack of availability was partially mitigated by raw materials being sourced from new approved suppliers outside of South Africa. While the short term supply challenges have eased, we expect avian flu to have a long-term impact on food production.

Food producers have encountered significant input cost pressures on both local and imported packaging and raw materials. While these inflationary cost increases have stabilised in most categories, tinned can and paper packaging costs in particular remain high, exacerbated by the weakening exchange rate. Food price inflation is expected to continue to outpace consumer inflation for some time to come.

In our international business, export shipments were hampered by extreme winter weather conditions, particularly in September. This was compounded by low levels of productivity and congestion at the Cape Town port. The port delays are currently averaging 12 to 16 days, with shipping lines bypassing the port when it is too costly to dock due to the slower turnaround and waiting time at the port.

Driving shareholder value creation

RFG's diversified brand portfolio and private label offering, supported by well-established domestic and international customer relationships and the highly experienced management team, are well positioned to deliver competitive returns and create ongoing value for shareholders.

RFG continues to pursue its strategy of driving organic revenue growth, with the focus mainly on the growth categories of fruit juice, dry foods and pies. The group has production capacity available at most facilities which will enable us to increase utilisation of the factories to grow brand shares. In the current low growth economy, organic growth will be complemented by value-accretive bolt-on acquisitions aligned to the group's strategy and core product categories, new product development and innovation, expansion into new markets in the regional and international segments, and entering new product categories.

While the group's margin has strengthened by 330 basis points over the past two years and is close to the 10% medium-term target, we maintain our ongoing focus on price, volume and margin management in the constrained regional trading environment and aim to maintain an international margin of at least 10% through-the-cycle. Focused capital investment is aimed at generating efficiency gains to sustain margins.

We continue to drive profitable growth to enhance our return metrics while improving working capital efficiency to increase free cash flow and enhance our return on equity.

Outlook

Sales volumes in the regional business will remain under pressure due to constrained consumer spending and the weak economic environment. Our short-term priorities are therefore to focus on recovering costs, tight expense management and enhancing factory efficiencies to sustain the operating margin.

In the international business, we expect current pricing levels and global demand for RFG's canned fruit and fruit puree products to be maintained. We are therefore confident of sustaining an international operating margin of at least 10% through-the-cycle.

Appreciation

Thank you to our chairperson, Dr Yvonne Muthien, and our non-executive directors for their strategic insight, guidance and high standards of governance oversight of the group.

Thank you to our executive committee and the management and staff at the corporate office and our production facilities across South Africa and in Eswatini for continually striving to ensure that RFG remains the supplier of choice for fresh, frozen and long life meal solutions.

Pieter Hanekom
Chief executive officer

“Robust cash generation has enabled the group to significantly reduce borrowings and the net debt to equity ratio improved for the fifth successive year.”



Tiaan Schoombie
Chief financial officer

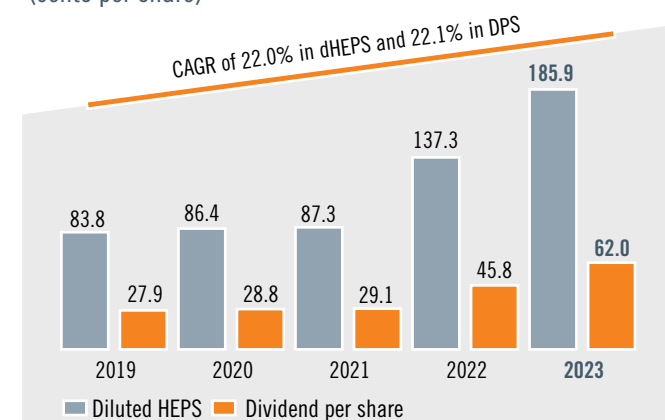
CHIEF FINANCIAL OFFICER'S REPORT

RFG delivered a highly competitive all-round trading and financial performance for 2023. The results were marked by resilient revenue growth, expanding profit margins in both the regional and international segments, strong cash flows and a significant improvement in the group's debt position.

The group's operating performance translated into growth of 35.3% in headline earnings to R488 million, with diluted headline earnings per share (HEPS) 35.4% higher at 185.9 cents. Shareholders will receive a cash dividend of 62.0 cents, an increase of 35.4% on the prior year, based on the group's dividend cover policy of three times diluted HEPS.

Robust cash generation has enabled the group to reduce borrowings from R1 098 million to R727 million. The net debt to equity ratio improved for the fifth successive year, reducing to 21.3% from 36.2% in 2022. The group's net debt to equity ratio was 53.9% in 2018.

Earnings and dividends (cents per share)



In last year's integrated report we advised shareholders that the group's key financial focus areas for 2023 were (a) to improve free cash flow, specifically through strategic capital allocation, (b) expand profit margins and (c) reduce the level of net working capital. The group's pleasing progress in addressing these focus areas is outlined in the following review of the performance for the year.

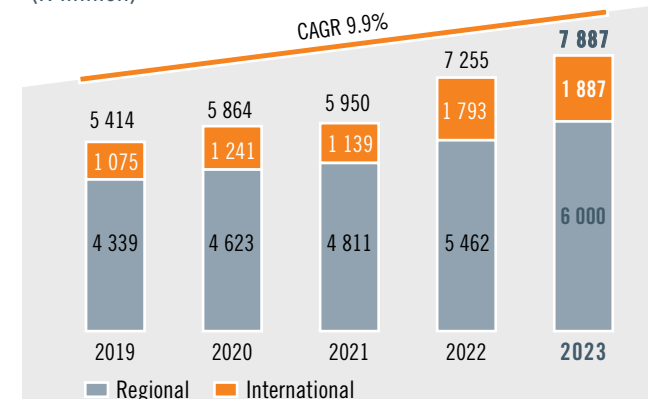
Review of financial performance

The analysis of the group's financial performance for the year ended 1 October 2023 covers the key line items of the statements of comprehensive income and financial position which management consider material to shareholders' understanding of the group's performance. The following review should be read together with the audited consolidated financial statements available on the group's website and the five-year performance review on [page 33](#).

Revenue

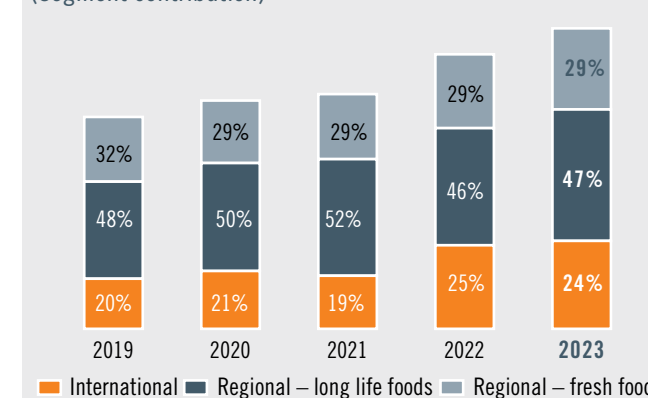
Group revenue increased by 8.7% to R7.9 billion. Price increases accounted for 12.9% of the growth as the group continued to recover high input cost increases. Slower consumer spending in the low growth economic environment contributed to total group volumes declining by 8.3%, with negative mix changes of 0.2%. The impact of the volume decline was partially offset by foreign exchange gains from the weaker Rand which contributed 3.4% to revenue growth while the Today acquisition completed in the previous financial year accounted for 0.9% of group revenue growth. Refer to the operations report on [pages 34 to 43](#) for detail on the performance of the regional and international segments.

Group revenue (R'million)



The revenue contribution from the regional segment increased marginally to 76% (2022: 75%) due to the stronger growth of long life foods which accounted for 47% of revenue. The contribution from fresh foods was consistent at 29%. International revenue at 24% reflects the lower turnover growth relative to the prior year.

Group revenue (Segment contribution)



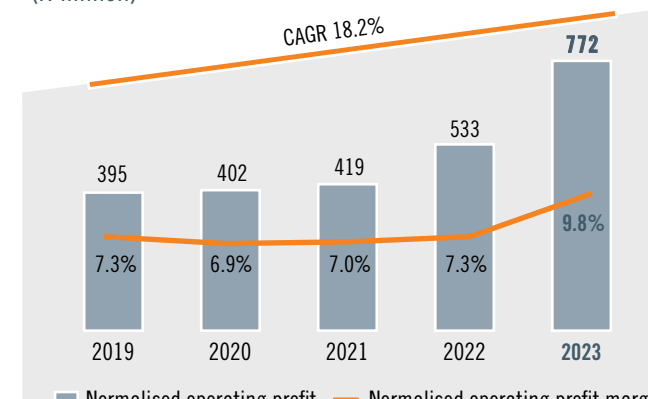
Operating profit

The regional operating profit increased by 63.0% to R527 million as the operating margin expanded by 290 basis points to 8.8%. This was mainly due to the recovery of higher input costs from customers in most product categories, efficiency gains at the manufacturing facilities due to effective capital expenditure as well as the strong performance from the pie category. Load shedding continued to weigh on profitability, with diesel costs to operate generators totalling R66 million for the year.

The operating profit for the international segment increased by 17.0% to R245 million as the operating margin strengthened by 130 basis points to 13.0%. Profitability was supported by stable export pricing across the product portfolio and the weakening of the Rand against the US dollar during the year.

The group's operating profit increased by 32.0% to R757 million with the operating profit margin improving by 170 basis points to 9.6%. The prior period included once-off costs of R26 million relating to the Today acquisition and insurance claim proceeds of R43 million for loss of profits during the Covid-19 lockdown.

Group operating profit* (R'million)



* Normalised operating profit excludes impairment losses and acquisition costs. It also excludes once-off electricity expenses of R27 million in FY2021 and insurance claim proceeds of R43 million in FY2022 relating to Covid-19 lockdown.

The group's interest expense was R10 million higher at R99 million due to the 200 basis points increase in the prime lending rate over the past year.

Capital management WORKING CAPITAL

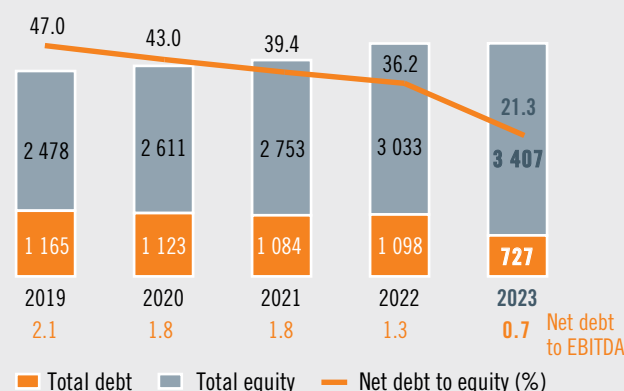
The group's working capital cycle reflects the seasonality of the deciduous fruit canning season at the Tulbagh plant which runs from December through to May each year. Inventory levels and working capital funding peak in the first half of the financial year following the completion of the fruit canning. Inventory levels normalise in the second half of the year as the canned fruit is shipped to international customers over the next 12-month period from the current to the following canning season.

In the reporting period, the increase in net working capital was contained at 2.5% to R1 855 million while the ratio of net working capital to revenue improved to 23.5% from 25.0% in the prior year.

CASH GENERATION

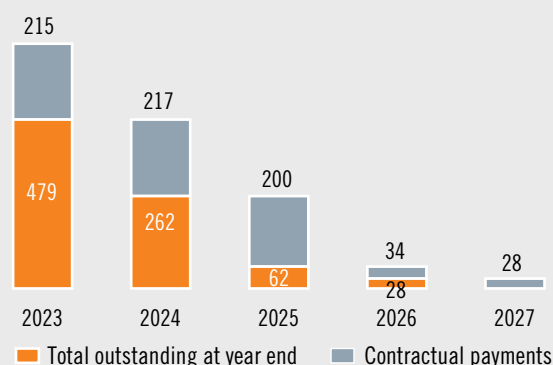
The group's improved profitability contributed to the net cash flow generated from operations increasing by 59.8% to R1 075 million. The free cash flow was R314 million higher at R567 million, with the free cash flow return improving from 3.5% to 7.2%.

The increased cash generation contributed to a significantly improved debt position, with net debt decreasing by R371 million to R727 million and the net debt-to-equity ratio improving to 21.3% from 36.2%.

CHIEF FINANCIAL OFFICER'S REPORT continuedCapital management
(R'million)

BANK LOANS: REPAYMENT PROFILE

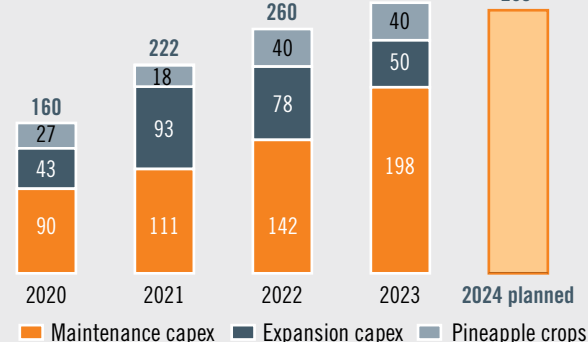
Long-term loans of R215 million were repaid during the year in line with the group's contractual obligations while no further loan funding was raised during the year. If no further bank funding is raised, the group will repay its contractual debt by the 2027 financial year.

Bank loans
(R'million)

CAPITAL EXPENDITURE

Capital expenditure of R288 million (2022: R260 million) included the expansion and replacement of pineapple plantations in Eswatini of R40 million and capacity expansion at the pie and meat facilities. Maintenance expenditure accounted for R198 million or 69% (2022: 55%) of the total capital expenditure, with the ratio of maintenance capital expenditure to revenue at 2.5% (2022: 2.0%). The group is targeting a ratio below 2.0%.

Capital expenditure of R280 million is planned for the new financial year, including R40 million for the annual replacement of mature pineapple crops in Eswatini.

Capital expenditure
(R'million)

* Includes R40 million for pineapple crops

CAPITAL RETURN RATIOS

Capital return ratios improved due to the higher levels of profitability. The return on equity improved to 14.9% from 12.5% in 2022, the return on assets to 8.7% relative to 6.9% in 2022 and the return on capital to 18.3% compared to 14.4% the prior year.

The group is committed to improving returns and one of management's three medium-term performance targets is to achieve a return on equity equivalent to the group's weighted average cost of capital (WACC) plus 2%. This target is currently 16.0%, based on the WACC of 14.0%.

Appreciation

Thank you to our shareholders for your continued support and we welcome those who invested in RFG for the first time during the year. We also thank the broader investor community for your interest and engagement with management. I extend my personal gratitude to the group finance team for their continued commitment to achieving high standards of financial reporting.

Tiaan Schoombie
Chief financial officer

FIVE-YEAR PERFORMANCE REVIEW



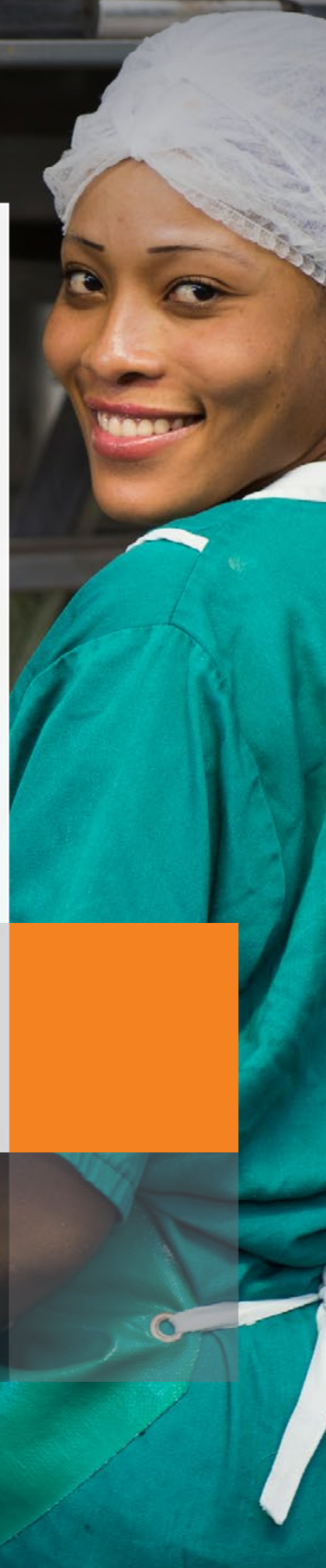
		2023	2022*	2021	2020	2019
Revenue	R'm	7 887	7 255	5 950	5 864	5 414
Operating profit	R'm	757	574	373	402	395
Earnings before interest, depreciation and amortisation (EBITDA)	R'm	1 055	818	613	625	567
Profit after tax	R'm	478	362	216	216	215
Revenue growth	%	8.7	21.9	1.5	8.3	8.5
Operating profit margin	%	9.6	7.9	6.3	6.9	7.3
EBITDA margin	%	13.4	11.3	10.3	10.7	10.5
Earnings per share	Cents	183.0	137.9	82.6	82.7	82.7
Headline earnings per share (HEPS)	Cents	187.4	137.9	87.9	86.7	84.0
Diluted HEPS	Cents	185.9	137.3	87.3	86.4	83.8
Dividend per share	Cents	62.0	45.8	29.1	28.8	27.9
Dividend cover	X	3.0	3.0	3.0	3.0	3.0
Ordinary shares in issue	Million	262.8	262.8	262.8	262.8	262.8
Weighted average number of dilutive shares in issue	Million	262.5	262.8	263.3	262.3	262.2
Total assets	R'm	5 550	5 424	5 119	4 898	4 714
Net working capital	R'm	1 855	1 811	1 560	1 462	1 425
Equity	R'm	3 407	3 033	2 753	2 611	2 478
Net debt	R'm	727	1 098	1 084	1 124	1 164
Return on equity	%	14.9	12.5	8.1	8.6	9.0
Return on invested capital	%	13.3	10.7	7.1	7.7	8.5
Weighted average cost of capital	%	14.0	14.1	13.4	13.8	12.8
Net debt to equity	%	21.3	36.2	39.4	43.0	47.0
Net debt to EBITDA	X	0.7	1.3	1.8	1.8	2.1
Net working capital change	R'm	(44)	(251)	(98)	(37)	(71)
Cash generated from operations	R'm	1 075	673	511	602	495
Capital expenditure	R'm	288	260	222	160	231
Maintenance capital expenditure to revenue	%	2.5	2.0	1.9	1.5	1.7
Acquisitions	R'm	–	54	–	–	30
Free cash flow	R'm	567	253	247	388	292
Free cash flow return	%	7.2	3.5	4.2	6.6	5.4
Net working capital to revenue	%	23.5	25.0	26.2	24.9	26.3
Net working capital days	Days	115	115	120	116	119
Inventory	Days	99	96	101	99	107
Accounts receivable	Days	52	57	63	59	57
Accounts payable	Days	(36)	(38)	(44)	(42)	(45)
US dollar/Rand (average exchange rate)	US\$/R	18.34	15.97	14.54	16.57	14.43

* Includes 53rd trading week

OPERATIONS REPORT



RFG has a well-capitalised production base comprising 14 world-class facilities across South Africa and Eswatini which represents a significant competitive advantage for the group. These production sites are strategically located close to end markets or sources of raw materials.



Food safety is paramount. The group maintains high standards of technical and quality assurance at all production facilities which are certified to international food safety standards, including:

- Food Safety System Certification (FSSC) 22000
- IFS Food Standard
- BRCGS Global Food Safety Standard

Quality assurance is supported by two accredited microbiological testing facilities at Groot Drakenstein and Aeroton (Gauteng) which are both International Organisation for Standardisation (ISO) 17025 certified.

Several of the facilities are certified to specific product category standards, including juice products (Wellington) which is ISO 9001 certified, the pulps and purees plant (Groot Drakenstein) is certified to US Food and Drug Administration standards while the meat products plant (Krugersdorp) is certified for the export of meat products.

Regular third party technical audits and inspections are undertaken on behalf of major domestic and international customers.

Details on each of the group's production facilities, including capacity utilisation, the products and brands manufactured at each facility as well as recent capital expenditure, follow on pages 42 to 43.

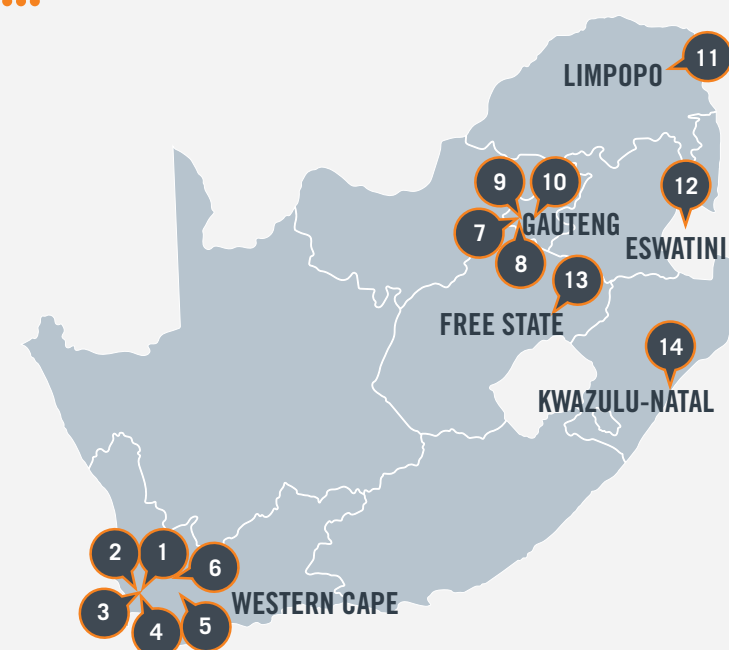
In addition to the production facilities, RFG also owns a dairy farm hosting an Ayrshire stud herd at Groot Drakenstein in the Western Cape as well as pineapple farms in Eswatini. This comprises 745 hectares of pineapple plantations in Malkerns and a 685 hectare leased plantation in Siphofaneni which produced a combined harvest of 42 000 tonnes of pineapple in the past season.

RFG's ongoing capital investment programme is aimed at enhancing production efficiencies at the facilities, expanding capacity to meet growing customer demand and upgrading equipment to maintain the production base to world class standards.

Major capital expenditure projects undertaken in the reporting period included capacity expansion at the ready meals Western Cape (Groot Drakenstein), fruit juice (Wellington) and pies and pastries (Aeroton) facilities, the installation of new canning equipment at the meat products factory (Krugersdorp), the annual replacement of pineapple crops (Eswatini) and new and replacement generators to manage the impact of load shedding.



PRODUCTION FACILITIES IN SOUTH AFRICA AND ESWATINI



WESTERN CAPE

GROOT DRAKENSTEIN

1. Ready meals
2. Dairy
3. Flexible packaging (Baby food)
4. Pulps and purees
5. Juice products
6. Fruit products

GAUTENG

AEROTON

7. Ready meals
8. Pies and pastries
9. Meat products
10. Pies and pastries

KRUGERSDORP

JOHANNESBURG

LIMPOPO

MAKHADO

11. Vegetable products

ESWATINI

MALKERNS VALLEY

12. Fruit products

FREE STATE

BETHLEHEM

13. Salads and pickles

KWAZULU-NATAL

DURBAN

14. Dry foods

OPERATIONS REPORT continued

Renewable energy solutions

Load shedding continued to be the single largest operational challenge encountered over the past year. The impact of load shedding extends beyond lower production output and the wastage of raw and packaging materials with each electricity interruption. Power outages also affect water supply at manufacturing facilities while also impacting suppliers of raw materials and packaging as well as agricultural production.

Generators have been installed at all production facilities which are able to carry the full factory load during outages, with generators having operated at 90% or more of capacity during protracted periods of load shedding. Generators are costly to buy, operate and maintain, and the group spent a further R25 million on new and replacement generators during the year.

Sustained load shedding has accelerated the group's renewable energy programme, with solar power being used to supplement the constrained electricity supply. Solar energy solutions have been installed at seven production facilities and the dairy farm, with a further four solar installations planned for the new financial year. These solar solutions are facilitated through power purchase agreements and are not funded through capital expenditure.

The group's first solar installation, which was completed at the fruit juice facility in 2021, was extended with additional solar capacity during the year. A battery storage system is being trialled at the plant and battery solutions may be rolled out to other facilities based on the success of this trial.



Product and packaging innovation

RFG strives for continuous innovation in products, processes and packaging. The group has a centralised new product development (NPD) function at Groot Drakenstein.

Ongoing newness is a key driver of sales and market share growth

Core components of NPD:

- Lateral extensions of brands into adjacent categories

One of many examples of brand extensions was the successful entry of the Rhodes brand into the fruit juice market where it is the number two brand in the country with a share of 21%, eight years after entering this highly competitive category.

- Range extensions and product upgrades through innovation

Ranges are extended, upgraded and enhanced on an ongoing basis to increase customer appeal. This includes new flavours and reformulations as well as new packaging formats and sizes.

- Global health and eating trends

Growing environmental consciousness and broadening lifestyle food choices have contributed to the increasing popularity of plant-based eating. The group's fresh foods division produces a range of plant-based protein ready meals and dairy alternative products.

Further healthy eating product innovation includes “Carb Clever” and low fat ready meals, vegetable juices, kids’ meals with no added sugar, preservatives or colourants, and baby meals with no additives or preservatives.



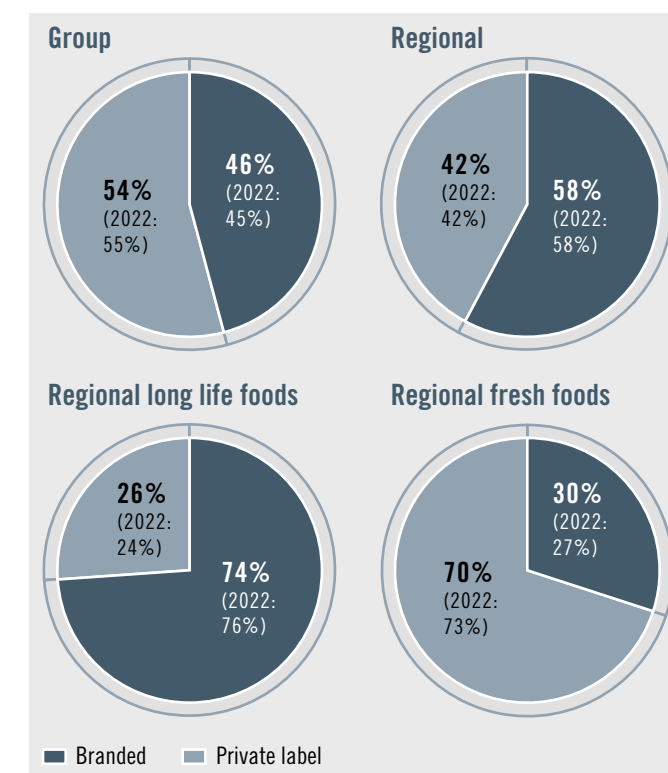
RFG has long been at the forefront of packaging innovation, with several features introduced by the group having become the industry norm.

Packaging innovation includes the “easy-open” cans, snap-on plastic caps on cans, tomato paste in plastic cups, “one-step” opening cap on fruit juice packs and being first to market with baby food in pouches.

Private label product ranges

RFG follows a dual strategy of growing its own brand portfolio and manufacturing private label ranges for major retailers. The group produces private label products in categories where its own brands have a strong presence, which ensures greater participation in the category.

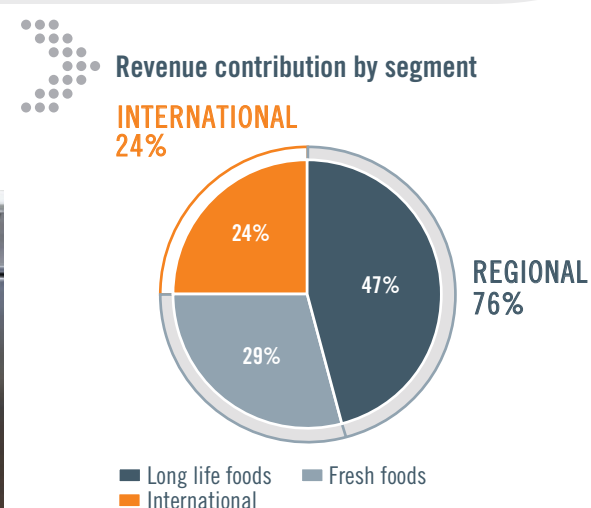
Private label accounts for 54% of group revenue, with the international segment being 100% private label and the regional segment 42%.



OPERATIONS REPORT continued

OPERATING PERFORMANCE

RFG's regional segment includes sales in South Africa and 13 other sub-Saharan African countries, accounting for 76% of the group's revenue. The regional segment comprises the long life foods and fresh foods sub-segments. The group's international segment includes all exports outside of Africa.



Regional segment

Long life foods comprises a diversified product portfolio across RFG's own brands including Rhodes, Bull Brand, Squish, Hinds, Bisto, Pakco and Southern Coating as well as private label ranges for all major domestic retailers. The core components of the fresh foods business are the long-term partnership with Woolworths, distribution of own pie and pastry brands Magpie, Today and Mama's as well as a national pie supply agreement with Engen.

Performance in 2023 and outlook

In the constrained consumer spending environment, revenue increased by 9.8% with price inflation of 15.5% and the Today pie acquisition accounting for 1.3% of the growth. While volumes were 6.6% lower, the group's volume decline was lower than the market in comparable categories.

Fresh foods increased revenue by 8.1%. The pie category produced robust growth in revenue and profitability, supported by the sustained performance of the Today acquisition and the benefit of the integration and consolidation of the pie facilities into Aeroton and Linbro Park in Gauteng over the past two years.

Ready meals delivered another resilient performance, with growth being driven by ongoing product innovation.

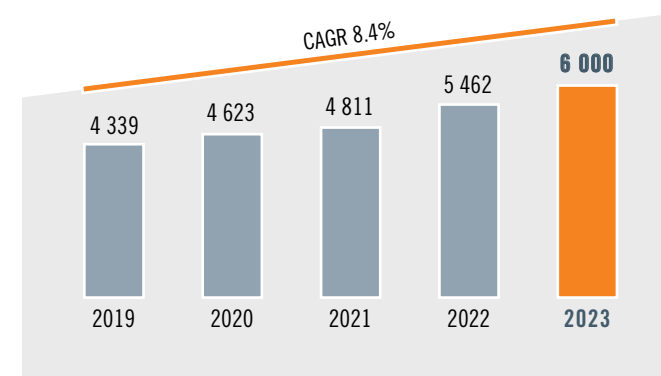
Long life revenue grew by 10.9%. Fruit juice recorded double-digit growth and increased market share to 31%, again being the main contributor to growth in long life foods. Herbs and spices also grew by double digits as the Hinds brand extended its market share gains. The meat products category showed an encouraging turnaround in the second half of the year due to the recovery of higher meat input costs. New canning equipment and capacity expansion will support sales growth and margin efficiencies in the new financial year. Industrial pulps and purees delivered good growth in the regional market.

Canned fruit and canned vegetable volumes remain under pressure from weaker consumer demand, high packaging and raw material costs as well as the competitive environment.

Regional operating profit increased by 63.0% to R527 million as the operating margin expanded from 5.9% to 8.8%. This was mainly due to the recovery of higher input costs from customers in most product categories, particularly fruit juice, ready meals, dry foods and meat as well as the strong performance from the pie category.

The strategic focus areas for the new financial year in fresh foods are to grow ready meals volumes through innovation while also protecting the margins in the pie category. The priorities in long life foods are to increase fruit juice volumes to grow the Rhodes brand share, grow market share in spices and curry powder, extract efficiencies in the meat plant and grow volumes following the recent investment in capacity expansion and new equipment, while recovering margin in canned vegetables.

R'm	2023	2022	% change
Revenue	6 000	5 462	9.8
Long life foods	3 736	3 367	10.9
Fresh foods	2 264	2 095	8.1
Operating profit	527	323	63.0
Operating profit margin	8.8%	5.9%	

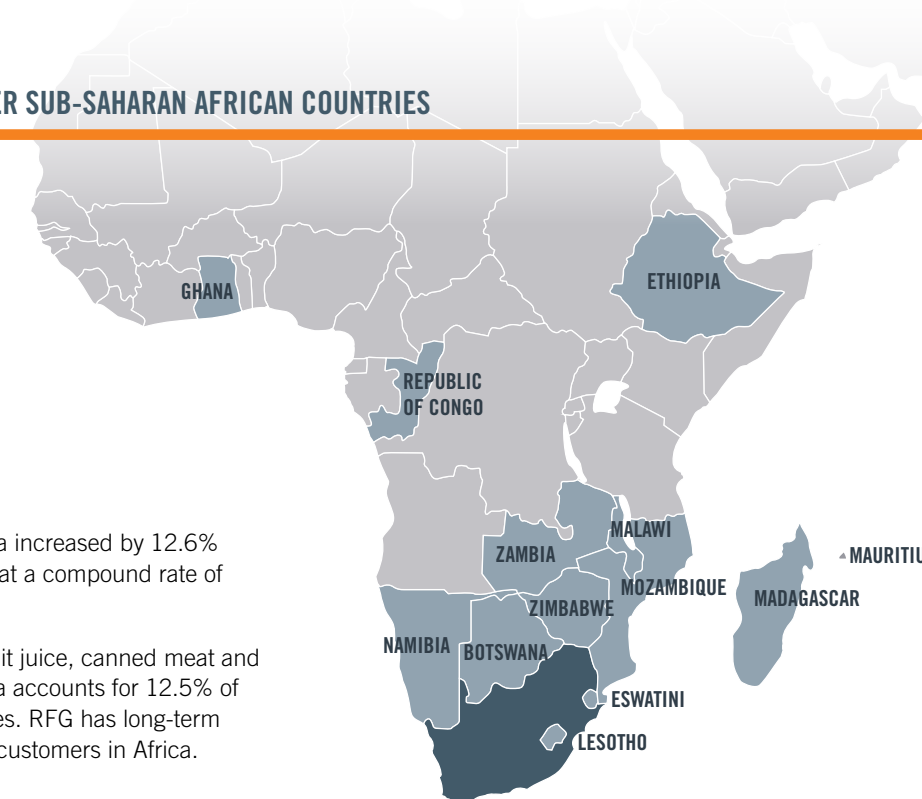
Regional revenue
(R'million)

Rest of Africa

PRODUCTS ARE SOLD IN 13 OTHER SUB-SAHARAN AFRICAN COUNTRIES

Sales of long life foods in the rest of Africa increased by 12.6% to R466 million, with sales having grown at a compound rate of 13.7% over the past five years.

The main drivers of sales growth were fruit juice, canned meat and dry foods. Revenue from the rest of Africa accounts for 12.5% of the regional segment's long life foods sales. RFG has long-term relationships with major distributors and customers in Africa.



OPERATIONS REPORT continued

International segment

The international segment has a well diversified customer base across major global markets, with the main export regions being the USA and Canada, United Kingdom and Europe, followed by Asia and Australasia. Over the past three years the customer base has been further expanded and diversified into South America which accounted for 8% of international sales in the reporting period.

The main export categories are canned fruit, fruit snacks in plastic cups, long life fruit juice and industrial pulps and purees. The fruit products manufactured at the Tulbagh facility account for 70% of the group's exports, with the Eswatini facility comprising 19% and fruit juice and pulps and purees the remaining 11% of exports.

Sustained demand for South Africa's premium quality canned fruit has contributed to RFG developing relationships spanning more than a decade with major international customers:

INTERNATIONAL BRANDED CUSTOMERS

USA	USA EUROPE MIDDLE EAST ASIA	EUROPE MIDDLE EAST	ASIA	JAPAN	NEW ZEALAND

PREMIUM PRIVATE LABEL CUSTOMERS

CANADA	UNITED KINGDOM	UNITED KINGDOM	UNITED KINGDOM	AUSTRALIA



USA AND CANADA
30% of sales
(2022: 30%)

SOUTH AMERICA
8% of sales
(2022: 9%)



REVENUE BY REGION

**UNITED KINGDOM
AND EUROPE**
30% of sales
(2022: 27%)

MIDDLE EAST
2% of sales
(2022: 3%)

ASIA
18% of sales
(2022: 21%)

AUSTRALASIA
12% of sales
(2022: 10%)

Performance in 2023 and outlook

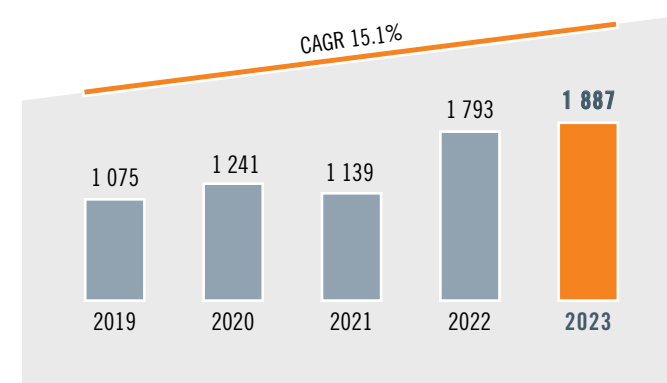
International revenue grew by 5.3%. Strong international selling prices and the benefit of the weaker Rand were offset by a 13.6% volume decline as production volumes returned to pre-2022 levels after volumes were increased to meet higher global demand.

The operating profit for the international segment increased by 17.0% to R245 million as the operating margin strengthened from 11.7% to 13.0%. Profitability was supported by stable export pricing across the product portfolio and the weakening of the Rand against the US dollar during the year.

In the year ahead, the focus of the Eswatini fruit products operation will be on maximising farm efficiencies and the export of increased volumes of pineapple products now that the new plantations have reached full production capacity. Extracting factory efficiencies will also be the priority at the Tulbagh plant to expand the operating margin of the facility closer to the targeted group margin of 10.0%.

International revenue
(R'million)

R'm	2023	2022	% change
Revenue	1 887	1 793	5.3
Operating profit	245	209	17.0
Operating profit margin	13.0%	11.7%	



OPERATIONS REPORT

continued

Production facilities

1	RFG READY MEALS WESTERN CAPE Groot Drakenstein, Western Cape Product range Ready meals and snacking for Woolworths and various food service customers Capacity utilisation Medium Capex 2023 Capacity expansion Origin of facility Acquired from Anglo American Farms in 1999	
2	RFG DAIRY Groot Drakenstein, Western Cape Product range Ayrshire milk, cream and cheese mainly for Woolworths Capacity utilisation High Origin of facility Acquired from Anglo American Farms in 1999 Ayrshire milk production facility: RFG is the exclusive provider of Ayrshire milk to Woolworths in the Western and Eastern Cape and produces approximately 30%–40% of its raw milk requirement at its Ayrshire stud farm at Groot Drakenstein. Also produces range of non-dairy plant-based products for Woolworths.	
3	RFG FLEXIBLE PACKAGING (BABY FOOD) Groot Drakenstein, Western Cape Product range Baby food in pouches; other foods in flexible packaging Brands Rhodes Squish (baby food); Rhodes (other pouch products); private label Capacity utilisation High Origin of facility Acquisition of Boland Pulp business in 2015	
4	RFG PULPS AND PUREES Groot Drakenstein, Western Cape Product range Industrial fruit pulps and purees; approximately 30% export with plan to increase internal usage Capacity utilisation High Origin of facility Acquisition of Boland Pulp business in 2015	
5	RFG JUICE PRODUCTS Wellington, Western Cape Product range Fruit juice Brands Rhodes; private label Capacity utilisation Medium–High Capex 2023 Capacity expansion Origin of facility Acquisition of Pacmar in 2015	
6	RFG FRUIT PRODUCTS WESTERN CAPE Tulbagh, Western Cape Product range Canned deciduous fruit, fruit in plastic cups, industrial fruit pulps and purees; over 80% export Brands Rhodes; private label Capacity utilisation High Origin of facility Acquisition of Del Monte Fruits SA business in 2010	
7	RFG READY MEALS GAUTENG Aeroton, Gauteng Product range Ready meals for Woolworths and other food service customers Capacity utilisation Medium Origin of facility Constructed in 2010	

Production capacity utilisation

Low Below 60% utilisation

Medium 60%–75% utilisation

High Above 75% utilisation

Refer to map with location on  **page** 

 Indicates facilities equipped with solar power

 Indicates facilities fitted with generator power

8	RFG PIES AND PASTRIES AEROTON, GAUTENG Aeroton, Gauteng Product range Pies and pastry products; exclusive pie provider to Woolworths and national pie supply agreement with Engen Brand Magpie, Ma Baker, Today, Mama's Capacity utilisation High Capex 2023 Capacity expansion Origin of facility Acquisition of Sunpie Foods in 2006	
9	RFG MEAT PRODUCTS Krugersdorp, Gauteng Product range Canned meat and meals Brands Bull Brand; private label Capacity utilisation High Capex 2023 Replacement of canning equipment and capacity expansion Origin of facility Acquisition of Bull Brand business in 2013 Baked bean production facility: The group's baked bean manufacturing facility is located on the Krugersdorp production hub site, adjacent to the meat products facility, and produces baked beans under the Rhodes brand as well as private label ranges.	
10	RFG PIES AND PASTRIES LINBRO PARK, GAUTENG Linbro Park, Johannesburg, Gauteng Product range Pies and bakery products Brand Magpie, Ma Baker, Today, Mama's Capacity utilisation High Origin of facility Acquisition of General Mills Foodservice SA business in 2015	
11	RFG VEGETABLE PRODUCTS Makhado, Limpopo Product range Canned vegetables Brands Rhodes; private label Capacity utilisation Medium Origin of facility Acquisition of Giants Canning business in 2007	
12	RFG FRUIT PRODUCTS ESWATINI Malkerns, Eswatini Product range Canned citrus and pineapple, fruit in plastic cups, jam and industrial fruit concentrate; approximately 70% export. Total pineapple requirement grown on own and leased farms. Brands Rhodes; Hazeldene; Trout Hall; private label Capacity utilisation High Capex 2023 Expansion and replacement of pineapple plantations Origin of facility Established in 1954 and sold to Nestle. The forerunner to the current RFG Holdings	
13	RFG SALADS AND PICKLES Bethlehem, Free State Product range Bottled salads and pickles Brands Rhodes; private label Capacity utilisation Medium–High Origin of facility Acquisition of Deemster business in 2015	
14	RFG DRY FOODS Durban, KwaZulu-Natal Product range Dry packed spices, condiments, instant meals and desserts Brands Hinds, Bisto, Pakco, Southern Coating, Rhodes Trotters; private label Capacity utilisation Medium Origin of facility Acquisition of Pakco business in 2017	

RFG is committed to sustainable business and responsible environmental, social and governance practices, which are essential in creating and sustaining long-term value.



GOVERNANCE AND SUSTAINABILITY

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CORPORATE GOVERNANCE REPORT



RFG is committed to achieving high standards of corporate governance by entrenching the values of integrity, competence, responsibility, accountability, fairness and transparency in all its business activities.

The board is accountable to shareholders and is ultimately responsible for ensuring that the group complies with legislation, regulation and corporate governance codes and policies. Management aims to create and maintain a culture of good governance across the business.

The directors confirm that the group has in all material respects applied the principles of the King IV Code on Corporate Governance (King IV) for the reporting period. A schedule detailing the group's application of the King IV principles is available on the website at www.rfg.com.

Board of directors

BOARD CHARTER

The board has a formal charter which details the scope of authority, responsibility and functioning of the board. In terms of the charter the directors retain overall responsibility and accountability for the following:

- Overseeing the group's strategy, performance and sustainability
- Promoting the interests of stakeholders through ethical leadership
- Ensuring effective risk management and internal controls
- Complying with legislation, regulation and governance codes
- Nominating directors for appointment and evaluating board and director performance
- Evaluating the performance of executive management and considering succession plans
- Ensuring appropriate remuneration policies and practices
- Shareholder communications and stakeholder engagement

Certain of these functions are delegated to board committees. The board is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period.

BOARD COMPOSITION

In compliance with the JSE Listings Requirements, the board has adopted a policy on the promotion of broader diversity at board level, specifically focusing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience.

RFG has a unitary board structure with seven non-executive directors and two salaried executive directors.

The following changes to the board and its committees took place during the year:

- 30 April 2023 Bruce Henderson retired from the board and the social and ethics committee.
- 1 May 2023 Venessa Naidoo appointed to the board and the audit, risk and information technology committee.
- 30 June 2023 Mark Bower, the lead independent director, retired from the board, the audit, risk and information technology committee and remuneration committee.
- 1 July 2023 Thabo Leeuw appointed as lead independent director, replacing Mark Bower.
- 1 July 2023 Venessa Naidoo replaced Mark Bower as the chairperson of the audit, risk and information technology committee.
- 1 July 2023 Garth Willis replaced Bruce Henderson on the social and ethics committee.

Biographical details on the directors appear on pages 24 and 25, including the tenure, experience and expertise of each director.

Black directors, 80% of whom are female, comprise 56% (2022: 40%) of the board compared to a voluntary target of 50% outlined in the board's nomination, composition and diversity policy.

Female composition is 44% (2022: 30%) relative to a voluntary target of a minimum of 30%.

The board is satisfied that its composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence. Directors are appointed by the board in a formal and transparent manner.

The tenure of the chairperson and lead independent director is limited to a maximum of four three-year terms. There is no prescribed retirement age for non-executive directors while executive directors retire in terms of their fixed term contracts.

INDEPENDENCE OF DIRECTORS

Five of the non-executive directors, including the chairperson, are classified as independent in terms of King IV and the JSE Listings Requirements. Garth Willis and Chad Smart are not considered to be independent owing to their shareholding in Capitalworks, a significant investor in the group.

As the chairperson, Dr Yvonne Muthien, and lead independent director, Thabo Leeuw, both reached nine years tenure as directors during 2023, an independence assessment was conducted by the board. It was concluded that both directors continued to exercise objective judgment and that there are no interests, positions, associations or relationships which are likely to influence unduly or cause bias in decision making.

FUNCTIONING OF THE BOARD

The board meets six times each year. Additional meetings may be convened to discuss urgent or specific business although no additional meetings were held during the reporting period.

The roles of the board chairperson, Dr Yvonne Muthien, and the CEO, Pieter Hanekom, are separate and clearly defined. This division of responsibilities ensures a balance of authority and power, with no individual having unrestricted decision-making powers.

The group has a formal induction programme for new directors. The chairperson of the board and relevant committee chairpersons will meet with new directors and together with the company secretary identify support that may be required.

Board members are encouraged to continuously develop their competence to lead effectively and keep abreast of key developments affecting the company. Regular communication is provided to board members on legal and corporate governance developments, and risks and changes in the external environment.

No board members have any conflict of interests with the group nor are any directors considered to be politically exposed persons.

Board evaluation

Individual director evaluations were undertaken based on questionnaires prepared by the company secretary for evaluation of the directors. The evaluations were aligned to the recommendations of King IV. No major areas of concern were identified, and the results were reviewed by the nominations committee. The issues raised by board members through the evaluation process will be further considered in 2024 to ensure continued improvement in the board's performance and effectiveness.

Key issues addressed in 2023

In addition to meeting its required governance and oversight responsibilities during the year, the board addressed the following key issues:

- Monitored the group's response to risks posed by global geopolitical events and the potential impact on the business.
- Considered the impact of extended load shedding on the operations and the business continuity measures implemented to mitigate the effects thereof, including approval of the acceleration of the group's solar installation programme and increased usage of generators as an interim measure.
- Monitored the group's performance against key performance measures and targets.
- Approved the group's short-, medium- and long-term strategy as formulated and developed by management.
- Monitored the implementation and execution of the strategic plan by management.
- Performed a review of all directorships held by members of the board and concluded that no board member is over-committed or conflicted.
- Conducted an independence assessment of the two directors who reached nine years' tenure during 2023.
- Monitored progress against the group's BBBEE targets and reviewed strategies to improve the group's BBBEE score.
- Endorsed the group's environmental sustainability strategy and monitored performance against targets.

CORPORATE GOVERNANCE REPORT continued

- Approved the annual financial statements, integrated report and related SENS announcements.
- Assisted by external advisors, reviewed the IT cyber security, identifying areas for improvement.
- Reviewed succession plans for management.
- Following the retirements of non-executive directors Bruce Henderson and Mark Bower, attended to new board and committee appointments taking the following into consideration:
 - » clear balance of power and authority to ensure that no one director has unfettered powers of decision-making; and
 - » the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience.

Executive committee

The board has delegated authority to the CEO and the executive committee for the implementation of the strategy and the ongoing management of the business. The eight-person executive committee comprises the CEO, CFO, managing directors of fresh foods and international, operations director of long life foods, the commercial director, the corporate affairs director and the human resources director. Biographical details on the executive committee appear on page 27.

The executive directors have no professional commitments outside of the group. Succession planning is in place for the CEO for both emergency situations and over the long term.

A delegation of authority framework is in place and the board is satisfied that it contributes to role clarity and the effective exercise of authority and responsibilities.

Company secretary

The company secretarial function for the listed entity is fulfilled by Bernadette Lakey, corporate affairs director of the main subsidiary. Ms Lakey is a Chartered Accountant (SA) and has a certificate in Advanced Corporate Law and Securities Law. The board is satisfied that:

- the company secretary is suitably qualified, and experienced to provide professional and independent guidance to the board on corporate governance and its legal duties;
- the office of the company secretary is empowered and that the position carries the necessary authority;
- an arms-length relationship exists between the company secretary and the board; and
- the company secretary has the necessary competence, knowledge and objectivity to provide independent guidance and support at the highest level of decision making in the organisation.

The company secretary provides guidance to directors on governance, compliance and their fiduciary duties. Directors have unrestricted access to the advice and services of the company secretary.

Zantira Annandakrisnan, legal and compliance officer of the main subsidiary, is the company secretary for all of the South African subsidiaries within the group. Ms Annandakrisnan is an attorney who joined the group in 2022.

Board committees

Specialised governance functions are delegated to four committees to assist the board in meeting its oversight responsibilities. The directors confirm that the committees have functioned in accordance with their terms of reference during the financial year. These terms of reference are reviewed annually.

The audit, risk and information technology committee is nominated by the board and elected by shareholders at the annual general meeting each year.



AUDIT, RISK AND INFORMATION TECHNOLOGY COMMITTEE

ROLE AND RESPONSIBILITIES

- Ensure the group has adequate and appropriate financial and operating controls
- Ensure the group has established appropriate financial reporting procedures and that the procedures are operating effectively
- Ensure the group has an effective policy and plan for risk management
- Ensure that the group has an effective policy and plan for the management of information technology
- Maintain oversight for financial results and integrated reporting
- Ensure satisfactory standards of governance, reporting and compliance
- Ensure that sustainability related issues are incorporated into risk management assessments and adequately reported on

COMPOSITION

Chairperson: Venessa Naidoo

Mrs Naidoo joined the board and committee on 1 May 2023 and was appointed as the committee chair from 1 July 2023, following the retirement of Mark Bower on 30 June 2023.

The committee comprises three independent non-executive directors.

Refer to the audit, risk and information technology committee report in the financial statements.



REMUNERATION COMMITTEE

ROLE AND RESPONSIBILITIES

- Ensure the group has a remuneration policy which is aligned with the strategic objectives and goals
- Determine remuneration of executive directors
- Propose fees for non-executive directors for shareholder approval

COMPOSITION

Chairperson: Thabo Leeuw

The committee comprises two independent non-executive directors and a non-executive director.

Bongiwe Njobe was appointed as a member of the committee with effect from 1 July 2023, following the retirement of Mark Bower on 30 June 2023.

Refer to the remuneration report on pages 52 to 65.



SOCIAL AND ETHICS COMMITTEE

ROLE AND RESPONSIBILITIES

- Monitor the group's activities relating to social and economic development, stakeholder and consumer relationships, and labour issues
- Monitor adherence to corporate citizenship principles and ethical behaviour
- Monitor the group's empowerment and transformation strategy, and progress against BBBEE targets
- Oversee the implementation of the group's sustainability programme
- Ensure the group's interactions with stakeholders are guided by legislation and regulation

COMPOSITION

Chairperson: Bongiwe Njobe

The committee comprises two independent non-executive directors and a non-executive director.

Garth Willis was reappointed as a member of the committee with effect from 1 July 2023, following the retirement of Bruce Henderson on 30 April 2023.

Refer to the social and ethics committee report pages 66 to 68.

CORPORATE GOVERNANCE REPORT continued

NOMINATIONS COMMITTEE

ROLE AND RESPONSIBILITIES	COMPOSITION
- Assist the board in identifying, nominating and appointing suitable candidates as directors - Develop and regularly review succession plans for the board, CEO and senior executives - Ensure the board has appropriate balance of skills, knowledge, expertise and diversity - Approve appointments and removals of directors of all major subsidiaries - Review the performance of the board and its committees	Chairperson: Dr Yvonne Muthien The committee comprises the chairperson of the board and the chairpersons of the board committees. Venessa Naidoo joined the committee on 1 July 2023, when she replaced Mark Bower as chairperson of the audit, risk and information technology committee.

BOARD AND COMMITTEE MEETING ATTENDANCE

DIRECTOR	STATUS	BOARD	AUDIT, RISK AND INFORMATION TECHNOLOGY COMMITTEE	REMUNERATION COMMITTEE	SOCIAL AND ETHICS COMMITTEE	NOMINATIONS COMMITTEE
Number of meetings		6	4	3	4	1
Dr Yvonne Muthien	Independent	+6				+1
Thabo Leeuw [#]	Independent	6	4	+3		1
Mark Bower ¹		4	3	2		
Pieter Hanekom [*]	Executive	6	4	3	4	1
Bruce Henderson ²		3			2	
Selomane Maitisa	Independent	6	4		4	
Venessa Naidoo ³	Independent	3	+2			
Bongiwe Njobe ⁴	Independent	6		1	+4	1
Tiaan Schoombie [*]	Executive	6	4	3	4	1
Chad Smart ⁵	Non-executive	5				
Garth Willis ⁵	Non-executive	6		3	2	
Attendance (%) 2023		98	100	100	100	100
Attendance (%) 2022		97	100	100	92	100

⁺ Chairperson

[#] Lead independent director

^{*} Attended all committee meetings by invitation

¹ Retired 30 June 2023

² Retired 30 April 2023

³ Appointed 1 May 2023

⁴ Appointed as a member of the remuneration committee on 1 July 2023

⁵ Appointed as a member of the social and ethics committee on 1 July 2023

⁶ Apology received for meeting not attended

Compliance

Details on the internal audit function, systems of internal control, the external audit function, combined assurance and risk management are outlined in the audit, risk and information technology committee report in the annual consolidated financial statements. In terms of the JSE Listings Requirements, the committee conducted an assessment of the suitability of the external auditor, Lucian Rolleston, and satisfied itself that both Ernst & Young Inc (EY) and Mr Rolleston had the necessary accreditation. The board notes that EY has served as the group’s auditor for three years.

The board confirms that the group has established appropriate financial reporting procedures and the directors are satisfied that these procedures are operating effectively.

LEGISLATIVE AND REGULATORY COMPLIANCE

The directors confirm that the company has complied with the provisions of the Companies Act, particularly those relating to its incorporation, and has operated in conformity with its memorandum of incorporation for the 2023 financial year.

Legislative and regulatory compliance is monitored by the company secretary. An analysis of current and pending legislation and regulation relevant to the group is presented at board meetings.

There was continued focus on the group’s employment equity and transformation initiatives to ensure the group achieves legal compliance and is aligned to best practice.

A compliance review was conducted to ensure that the social and ethics committee effectively monitors the organisation’s activities in relation to stakeholders, and fulfils its statutory and regulatory duties, particularly its responsibility to monitor the group’s activities in relation to applicable legislation, rules, codes of best practice and standards.

INVESTOR RELATIONS

An investor relations policy aims to ensure compliance with all legislation, regulation and voluntary codes in relation to the disclosure, communication and dissemination of information, while limiting reputational risk for management and the group.

Management is committed to engaging with local and international analysts and fund managers to enable informed decisions to be made about investing in RFG. The CEO and CFO are the designated investor spokespersons, and all investor meetings are attended by at least two people. An investor relations consultant has been retained by RFG since the listing on the JSE to advise management on its investor relations strategy and activities.

The group aims to ensure pro-active and timely communication with the investment community, while protecting the rights of all shareholders by providing equal access to information, with simultaneous release of information and no selective disclosure of information.

ETHICS

The group subscribes to the highest standards of ethical business practice. The group has implemented policies which set stringent standards relating to the acceptance of gifts from suppliers and other third parties, confidentiality and protection of information, whistleblowing, trademarks and intellectual property, declarations of potential conflicts of interest as well as zero tolerance policies on racism, discrimination, sexual harassment and bullying.

Governance focus areas in 2024

Climate change will remain a key focus of the board and plans for the 2024 financial year include understanding the main climate related issues for the business, integrating climate related issues into risk assessments and strategy development as well as managing the social consequences of climate mitigation strategies.

The International Sustainability Standards Board’s inaugural standards, IFRS S1 and S2, will be effective for the group’s 2025 annual reporting period. In 2024, the group will ensure that it implements the necessary reporting systems and procedures to be able to effectively communicate to investors about the sustainability-related, and more specifically climate-related, risks and opportunities that could reasonably be expected to affect the entity’s cash flows and its access to finance or cost of capital over the short, medium and long term.

Other governance priorities include the continued roll-out of the stakeholder engagement strategy and the board will consider the outcomes of the director board and committee evaluations conducted in 2023.

REMUNERATION REPORT



1 Overview

RFG has created a performance-based culture by adopting remuneration policies and practices which reward executives and employees by aligning performance with the creation of sustainable returns to shareholders while meeting the needs of other stakeholders.

Remuneration reporting and disclosure is aligned with the requirements of the King IV Report on Corporate Governance (King IV) and the remuneration report is presented as follows:

- Part 2 outlines the group's remuneration policy which will be proposed to shareholders for a non-binding advisory vote at the annual general meeting (AGM) in March 2024.
- Part 3 details how the remuneration policy has been implemented in the 2023 financial year and this implementation report will again be proposed separately to shareholders for a non-binding advisory vote at the AGM.

This report focuses mainly on the remuneration of the executive directors and non-executive directors of RFG Holdings.

The remuneration paid for the 2023 financial year is outlined in the implementation report on pages 59 to 65.

The remuneration of executive directors and all other employees is influenced by the need to ensure internal equity while also considering company performance, trading conditions in the prevailing economic environment, industry dynamics, scarcity of skills and other market factors.

SHAREHOLDER ENGAGEMENT

RFG welcomes engagement with shareholders on remuneration issues to inform the voting process at the AGM. In line with King IV, the group is required to engage directly with shareholders should the remuneration policy or the implementation report not be supported by 75% of the votes exercised. Through this engagement process management will endeavour to determine the reasons for the dissenting votes and address legitimate objections and take reasonable measures to address shareholder concerns. The process to address these concerns will be disclosed in the following years' remuneration report.

At the AGM in March 2023 the remuneration policy and the implementation report were both approved by 95.94% (2022: 99.67%) of the votes cast.

No material issues were raised by shareholders and therefore no remuneration related engagement was required in the reporting period.

REMUNERATION GOVERNANCE

The remuneration committee (the committee) is responsible for overseeing the group's remuneration policy and practices.

The committee ensures the remuneration policy is aligned with the group's strategic objectives and goals, determines the remuneration of executive directors and proposes fees for non-executive directors for shareholder approval.

As in previous years, the committee sought independent external advice on remuneration matters. Bowman Gilfillan advised the committee for the 2023 financial year and the committee is satisfied that the consultant provided independent and objective advice.

While the committee is satisfied that the remuneration policy achieved its objectives for the year, the committee reviews the policy on an ongoing basis to ensure alignment with market practice.

During the financial year the committee addressed the following:

- Reviewed non-executive director fees following a benchmarking exercise undertaken by the group's independent remuneration advisor.
- Developed a phased approach to aligning non-executive director fees to the market median when discrepancies arise.
- Proposed the fees for non-executive directors.
- Reviewed the remuneration structure and pay mix for executive directors and executive management to ensure an optimal remuneration structure comprising fixed and variable remuneration.
- Reviewed the performance measures for short- and long-term incentive schemes to reward the achievement of appropriate targets.
- Approved the remuneration for executive directors and executive management.
- Approved the awards of performance shares and grants of restricted shares under the 2021 share plan.
- Approved the vesting and forfeiture of share appreciation rights, performance and restricted shares under the 2015 share plan.
- Considered the wage gap for the group and continued to take steps to incrementally reduce the gap.
- Monitored compliance with the requirements of King IV.

FAIR AND RESPONSIBLE REMUNERATION

As a responsible corporate citizen the group is aware of the societal issues relating to minimum wages and the wage gap, and is committed to adopting fair and responsible remuneration practices.

The group continues to strive to improve employment conditions across the business and implement initiatives that will realise the concept of fair and reasonable remuneration. This includes the promotion of employment equity and diversity in the workplace, skills development, career path planning, remuneration benchmarking to ensure internal equity and equal pay for work of equal value.

The group is implementing measures to address the vertical pay gap, being the pay differential between the highest paid executives in the company compared to the lowest paid employees. This is done in a manner which has maximum impact on the most vulnerable employees without weakening the company's ability to attract and retain the skills and leadership required to remain competitive. The methodology for formal reporting on the pay gap between the highest and lowest paid employees has not yet been finalised, and RFG is monitoring the various measures under discussion. The group will publish the selected measure when the applicable legislation and regulations have been finalised.

2 Remuneration policy

The remuneration policy is based on the following principles:

- Attract and retain employees with skills to effectively manage the operations and growth of the business
- Motivate employees to perform in the best interests of the business
- Ensure fairness, equity and consistency of reward across the group
- Recognise superior performance
- Align remuneration strategies with best market practice and shareholder value creation
- Comply with all relevant labour legislation.

Employees are therefore rewarded based on the following:

- Internal equity
- External equity in relation to the job market
- Levels of responsibility
- Scarcity of skills
- Work performance
- Levels of experience.

Remuneration practices are free of unfair distinction. However, fair distinction, based on performance, experience and skills, is applied.

Remuneration scales are developed using national surveys, while also considering regional practices, remuneration at companies with a similar market profile and occupational differentiation. The remuneration policy requires that the remuneration of executive directors is determined independently and rationally by the committee, to ensure that remuneration decisions are free from undue influence, self-interest and favouritism.

EXECUTIVE SERVICE CONDITIONS

The group's executive directors are both employed on fixed-term contracts. The contract of the CEO expires on 31 March 2028 and the CFO on 31 March 2026.

The employment contracts of the executive directors are aligned with the general conditions of service applicable to all group employees, except for notice periods. The CEO has a three-month notice period and the CFO a two-month notice period. There is no provision for settlement payments on termination.

PRESCRIBED OFFICERS

The prescribed officers of RFG Holdings in terms of the Companies Act are the executive directors and their remuneration is disclosed in the implementation report.

REMUNERATION STRUCTURE

Remuneration consists of a mix of guaranteed remuneration and variable performance-related pay which is at risk.

Guaranteed remuneration constitutes the employee's total cost-to-company package, which includes a cash salary, travel allowance, and employer contributions to benefit schemes such as medical aid and retirement funds.

Remuneration review

The group continues to move towards a more integrated approach to reward strategy, encompassing a balanced design in which all components are aligned to the strategic direction and business-specific value drivers of the group, and integrated into other management processes.

The group is committed to maintaining pay levels on a total cost-to-employer basis that reflect an individual's worth to the group, and incentives that recognise and reward, where appropriate, both operational performance and strategic performance in a challenging business environment.

Remuneration and directors' fees are benchmarked periodically using an annual remuneration survey, market trends and independent advice from an external consultant.

An annual merit-based salary increase on the guaranteed portion of remuneration is awarded effective 1 October each year.

Short-term incentives are designed to motivate and reward the achievement of short-term objectives for executive directors, executive management and senior management, while long-term incentives are designed to incentivise the creation of long-term shareholder value.

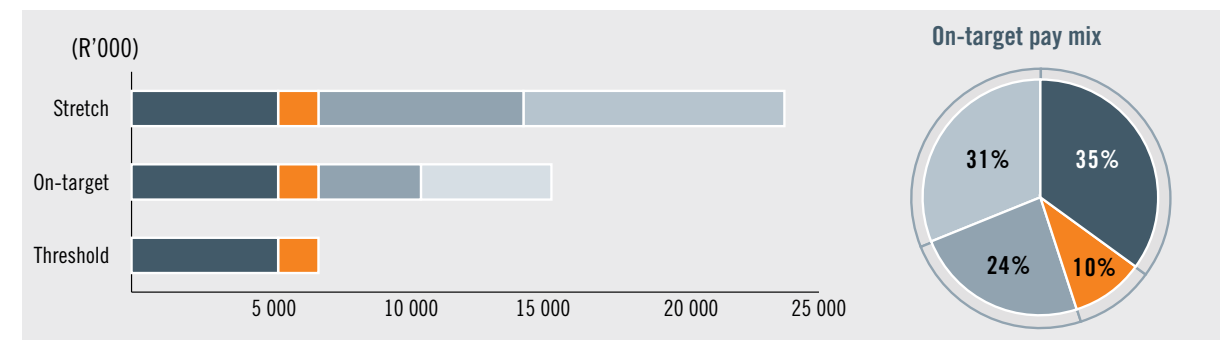
REMUNERATION REPORT continued

REMUNERATION MIX

The following tables detail the potential remuneration outcomes of the short-term and long-term incentives at threshold, target and stretch performance for the executive directors.

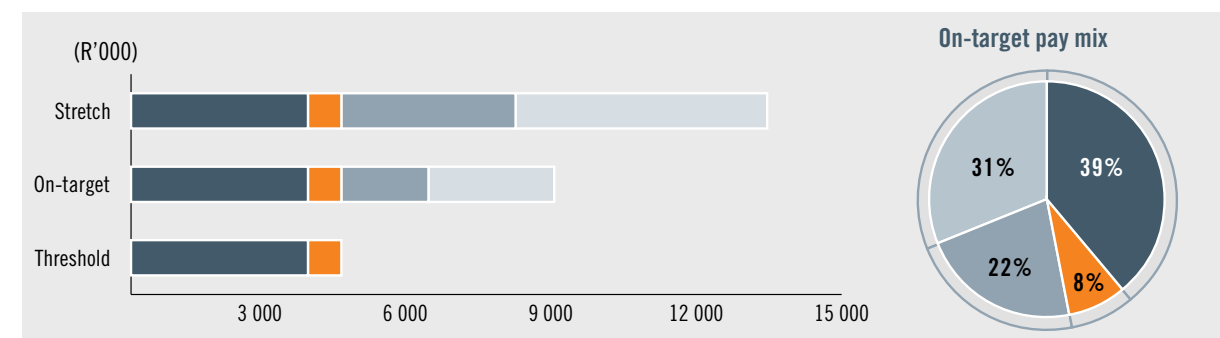
PIETER HANEKOM (CEO)

2023 policy (R'000)	Threshold		On-target		Stretch	
Salary	5 021		5 021		5 021	
Retirement savings and benefits	1 386		1 386		1 386	
Guaranteed pay	6 407	100%	6 407	100%	6 407	100%
Short-term incentives	–	0%	3 524	55%	7 048	110%
Long-term incentives	–	0%	4 485	70%	8 970	140%
Total remuneration	6 407	100%	14 416	225%	22 425	350%



TIAAN SCHOOMBIE (CFO)

2023 policy (R'000)	Threshold		On-target		Stretch	
Salary	3 303		3 303		3 303	
Retirement savings and benefits	689		689		689	
Guaranteed pay	3 992	100%	3 992	100%	3 992	100%
Short-term incentives	–	0%	1 796	45%	3 593	90%
Long-term incentives	–	0%	2 595	65%	5 190	130%
Total remuneration	3 992	100%	8 383	210%	12 775	320%



The group follows a remuneration mix policy that supports the philosophy that the performance-based pay of executive directors should form a greater portion of their expected total compensation than guaranteed pay. In addition, within the performance-based pay of the executive directors, the orientation should be towards rewarding long-term sustainable performance (through long-term incentives) more than operational performance (through annual cash incentives).

The mix of guaranteed and variable pay is therefore designed to meet the group's operational needs and strategic objectives, based on targets that are demanding, measurable and relevant.

The pay mix proportionality is the balance between guaranteed pay, annual cash incentives and long-term incentives.

The on-target reward from annual cash incentives and the target reward from long-term (share-based) incentives will vary in practice as the result of individual and group performance and the impact of external factors.

Incentive schemes

Short-term and long-term incentives are an integral part of the group's remuneration structure. The incentive schemes are self-funding and payouts are based on the attainment of board-approved targets.

SHORT-TERM INCENTIVE SCHEME

Executive directors, executive management and senior managers participate in an annual cash-based short-term incentive (STI) scheme. The scheme rewards the achievement of a balanced scorecard through a combination of financial and non-financial targets:

STI performance measures

Key performance area	Measure	Weighting
Financial targets:		
Profitability	EBITDA	60%
Working capital management	Net working capital to revenue ratio	20%
Financial targets:		
Transformation	BBBEE	10%
ESG	Environmental sustainability	10%

An incentive of 55% of the guaranteed cost-to-company remuneration of the CEO is paid on the achievement of an on-target performance and 45% for the CFO. For executive management an incentive of 35% of the guaranteed cost-to-company remuneration is paid on the achievement of an on-target performance.

Incentives are only paid when the threshold of 90% of targeted performance is achieved. This increases on a straight-line basis as the performance level increases, with 100% of the incentive paid if 100% of the targets are met. Performance exceeding the targeted performance results in the payment of a higher incentive on a straight-line basis until the point where incentives double. The incentive is doubled on achieving a result at which point the additional incentive equates to 30% of the additional profit generated.

The incentives payable to the CEO and CFO are based 100% on the group's performance. All targets and incentive payments to executives are approved by the committee.

The committee is permitted to apply its discretion to reduce any short-term incentive payments, having due regard to the balance between fairness to employees and other stakeholder interests. The committee will apply this discretion in the case that any of the financial measures are materially below the threshold, as well as in the case of unacceptable safety outcomes, or outcomes significantly below the thresholds for the year, and major environmental incidents, or events causing significant harm to the reputation

of the company.

LONG-TERM INCENTIVE SCHEMES

The long-term incentive schemes are aimed at aligning executive and shareholder interests, retaining key talent and incentivising long-term, sustained performance.

The weighted implementation of long-term incentive elements ensures that the company offers competitive incentives and that executives share a significant level of personal risk with shareholders.

All awards and grants are subject to malus and clawback conditions, in line with best practice.

2015 share plan

Participants in the 2015 share plan were offered an annual weighted combination from the following elements, according to their role and responsibilities within the group:

- Allocations of equity-settled share appreciation rights (performance vesting)
- Conditional awards of performance shares (performance vesting)
- Grants of restricted shares.

The plan rules provide that share obligations may be settled by the issue of shares by the company, as an alternative to the purchase of shares in the market on behalf of participants, or settlement by way of cash.

Following the adoption of the 2021 share plan, the final allocation, awards and grants under the 2015 share plan were made in December 2020.

SHARE APPRECIATION RIGHTS

Annual allocations of share appreciation rights (SAR) were made to participants under the 2015 share plan. The value accruing to participants on settlement is the appreciation in the share price above the strike price (allocation price) at which the SAR were allocated.

SAR vest in equal amounts on the third, fourth and fifth anniversary of their allocations. Vesting is dependent on the group achieving the following minimum performance level over the vesting period:

Three-year CAGR in diluted HEPS ≥ CPI + GDP growth + 2%

Following the vesting of the SAR, participants have until the seventh anniversary of the allocation date of the relevant SAR to exercise their rights to the appreciation in the RFG share price

over the allocation price of the SAR.

PERFORMANCE SHARES

Performance shares align the interests of shareholders and participants by rewarding superior performance.

Annual conditional awards of performance shares were made to executive directors and executive management who can influence and impact long-term strategic performance.

The shares vest on the third anniversary of their award, subject to the group achieving the targeted performance criteria.

The number of shares that vest depend on the performance relative to prescribed targets.

For 2023 vesting, performance was measured against the following metrics:

- Relative total shareholder return: 50% weighting
- Cash flow return on investment (CFROI): 50% weighting

If the target for one of the performance metrics is not achieved, participants may still qualify for vesting of performance shares for achieving the target for the second metric.

TOTAL SHAREHOLDER RETURN

Total shareholder return (TSR) is determined relative to a comparator group of companies which are likely to be impacted by the same external influences as RFG. The JSE Food Producers' Index has been identified as the comparator group.

Performance target relative to the comparator group over three-year period	Level of vesting
Lower quartile	All awards will be forfeited
Median	Targeted number of shares
Upper quartile	Three times targeted number of shares

Performances between these points will result in pro-rated vesting and performance shares that do not vest are forfeited.

The full value of the share accrues to the participant on vesting as there is no strike price as in the case of SAR.

PERFORMANCE CONDITIONS FOR UNVESTED AWARDS

The following CFROI conditions and targets apply for awards that vested in December 2023:

Performance target over three-year period	CFROI target	Level of vesting
Minimum threshold CFROI or below	Real cost of capital	Zero
Targeted CFROI	Real cost of capital +3%	Targeted number of shares
Maximum CFROI	Real cost of capital +6%	Three times targeted number of shares

The real cost of capital is defined as the weighted average cost of capital of the company, less consumer price index (CPI) inflation.

RESTRICTED SHARES

Annual grants of restricted shares are made to senior managers who warrant a grant of restricted shares.

Restricted shares are not granted to executive directors and executive management.

Restricted shares will vest after three years.

2021 share plan

The 2021 share plan was implemented in March 2022. Participants in the plan are offered an annual weighted combination of the following incentive elements according to their role and responsibilities within the group:

- Conditional awards of performance shares (performance vesting)
- Grants of restricted shares

Performance measure	Weighting	Threshold 0% vesting	Target 100% vesting	Stretch 200% vesting
Headline earnings per share growth	40%	CPI	CPI + GDP + 2%	CPI + GDP + 4%
Cash flow return on investment*	30%	Real WACC	Real WACC + 2%	Real WACC + 4%
Relative total shareholder return	30%	Lower quartile of peer group	Median of peer group	Upper quartile of peer group

* 50% vesting at threshold.

Executive directors and executive management will be allocated 100% performance shares while selected senior management will be granted a balanced allocation of performance and restricted shares.

Performance awards generally vest after three years, subject to continued employment and the satisfaction of performance conditions, which incentivises decision-making that promotes long-term sustainability.

The maximum number of shares that may be issued to participants in the settlement of the plan is restricted to 5% of the authorised shares when the plan was approved, being 13 138 101 shares.

Shares issued to individual participants will not exceed 0.5% of the authorised shares when the plan was approved.

Awards of performance shares and grants of restricted shares under the plan may be settled by purchasing shares in the market, using treasury shares, allotting or issuing shares or the payment of a cash bonus.

PERFORMANCE SHARES

Performance shares align the interests of shareholders and participants by rewarding superior performance.

Annual conditional awards of performance shares are made to executives and a weighted award to senior managers who can influence and impact long-term strategic performance.

The shares vest on the third anniversary of their award, subject to the group achieving the targeted performance criteria.

Dividends declared by RFG accrue over the three-year vesting period. Upon the vesting of the performance shares, the equivalent value of the cumulative dividends is awarded to the participants in the form of additional performance shares.

The number of shares that vest depend on the performance relative to the following prescribed targets:

REMUNERATION REPORT continued

RESTRICTED SHARES

Annual grants of forfeitable restricted shares are made to senior managers who warrant a grant of restricted shares.

Restricted shares are not granted to executive directors and executive management.

Restricted shares will vest after three years.

The group is required to settle the grant of restricted shares within 30 days of the grant date by purchasing a corresponding number of RFG shares in the open market. The RFG shares will be held in escrow by the company on behalf of the participants until the vesting date of the restricted shares.

Restricted shares will rank *pari passu* with the RFG shares and participants will have voting and dividend rights, but will not be entitled to trade or encumber the RFG shares until vesting of the forfeitable restricted shares.

GENERAL PROVISIONS FOR INCENTIVE SCHEMES

Share appreciation rights, performance shares and restricted shares, notwithstanding the performance criteria that govern vesting or grant, will in addition be subject to malus and clawback provisions that penalise participants for unacceptable performance in terms of issues and conditions affecting the environment, health and safety, and governance (refer to malus and clawback policy below).

Settlement is to be made in the main through the purchase of shares in the open market on behalf of participants, or alternatively by the payment of a cash bonus of equivalent value.

MALUS AND CLAWBACK POLICY

In the interests of shareholders, a malus and clawback policy applies to all participants in the short-term and long-term incentive schemes. The malus and clawback policy gives the committee the right when a trigger event occurs to cancel or reduce unpaid, unsettled or unvested incentives (also referred to as malus), or recover settled or paid incentives (also referred to as clawback).

The group has the right to recover the incentive remuneration amount from the participant for three years. The clawback clause only applies to the cash value of settled shares.

MINIMUM SHAREHOLDING REQUIREMENT

RFG encourages executive directors to own shares in the company to reinforce the alignment of executive and shareholder interests. A policy regulating the minimum shareholding requirement for executive directors was adopted in the 2020 financial year.

The CEO is required to hold the equivalent of 200% of guaranteed annual pay in RFG shares and the CFO 100% of guaranteed annual pay in RFG shares.

Both executive directors exceed these shareholding requirements through direct and indirect beneficial shareholdings (refer to [page 10](#)).

NON-EXECUTIVE DIRECTORS' FEES

Non-executive directors receive a fixed fee based on their board and board committee responsibilities. None of the non-executive directors have service contracts with the group and no consultancy fees are paid to non-executive directors. In line with best governance practice, non-executive directors do not participate in incentive schemes.

The remuneration of non-executive directors was benchmarked in the 2023 financial year and is benchmarked at least every three years.

3 Implementation report

The committee confirms that the remuneration policy has been consistently applied in the 2023 financial year and that there have been no deviations from the policy.

ANNUAL SALARY INCREASE

The average salary increase effective from 1 October 2023 is 6.5% (2022: 5.9%). The CEO and CFO received the same percentage increase.

SHORT-TERM INCENTIVE SCHEME

Based on the performance in the table below, R9.0 million in short-term incentives (2022: R6.5 million) will be paid to the executive directors and R10.6 million (2022: R6.5 million) will be paid to executive management in terms of the scheme rules.

Performance measure	Metric	Weighting	2023 target	2023 actual	Percentage payout	Scorecard
Financial						
EBITDA	R'm	60.0%	895	1 054	200.0%	120.0%
Net working capital to revenue ratio	%	20.0%	23.7	23.5	115.7%	23.2%
Environmental sustainability						
Water usage intensity	kl/ton production	2.5%	6.2	7.3	0.0%	0.0%
Waste to landfill intensity	kg/kg production	2.5%	0.0063	0.0046	200.0%	5.0%
GHG emissions	ton CO ₂ e/ton production	2.5%	0.282	0.256	200.0%	5.0%
Electricity usage intensity	kwh/ton production	2.5%	184	169	200.0%	5.0%
BBBEE		10.0%	30.95	31.09	121.3%	12.1%
Employment equity	points	5.0%	8.12	7.88	76.0%	3.8%
Preferential procurement	points	5.0%	22.83	23.21	166.6%	8.3%
						170.3%

Short-term incentive (R'000)		Guaranteed pay	On-target percentage	Scorecard	STI factor	STI awarded
Pieter Hanekom	Chief executive officer	6 407	55%	170.3%	94%	5 982
Tiaan Schoombie	Chief financial officer	3 992	45%	170.3%	77%	3 044

LONG-TERM INCENTIVE SCHEMES

2015 Share plan: December 2023 vesting

Share appreciation rights (SAR)

The performance target of annual growth in diluted headline earnings per share (DHEPS) from date of allocation to vesting (CPI + GDP growth + 2%) was achieved for the relevant tranches from the 2018, 2019 and 2020 allocations. These SAR vested in December 2023. The holders of the vested SAR have until the seventh anniversary of the allocation date to exercise their rights to any appreciation in the RFG share price over the allocation price.

Actual performance relative to targeted performance

SAR allocation date	Allocation price	DHEPS on allocation (cps)	Target DHEPS (cps)	DHEPS on vesting (cps)	Target CAGR	Actual CAGR
December 2018	R15.08	60.8	84.0	185.9	8.4%	32.2%
December 2019	R16.96	83.8	109.6	185.9	9.4%	30.4%
December 2020	R12.44	86.4	116.4	185.9	16.1%	46.7%

REMUNERATION REPORT continued

Calculation of the target DHEPS for the three tranches of SAR

Year to	CPI	GDP growth	Premium	Hurdle growth rate	Target DHEPS Dec 2018	Target DHEPS Dec 2019	Target DHEPS Dec 2020
December 2019	4.1%	(0.5)%	2.0%	5.6%	64.2	–	–
December 2020	3.4%	(8.3)%	2.0%	(2.9)%	62.3	81.4	–
December 2021	5.0%	5.0%	2.0%	12.0%	69.8	91.1	96.8
December 2022	7.6%	1.8%	2.0%	11.4%	77.8	101.5	107.8
December 2023	5.4%	0.6%	2.0%	8.0%	84.0	109.6	116.4

PERFORMANCE SHARES (PS)

The PS awarded in December 2020 vested in December 2023. Vesting of 50% of the PS was dependent on the achievement of a CFROI target over the three-year period from award to vesting. Based on the performance of the group, the targeted CFROI was partially achieved and 17.6% of 50% of the PS vested.

Vesting of the remaining 50% of the PS is dependent on total shareholder return (TSR) relative to the comparator group of the Food Producers' Index on the JSE. The TSR placed RFG in the bottom quartile (sixth out of the seven companies in the comparator group) over the three-year vesting period, and therefore this portion (50%) of the PS did not vest and was forfeited.

Actual performance versus targeted CFROI

Allocation date	Award price	Target CFROI	Three-year average CFROI	Vesting %
December 2020	R12.44	10.9%	8.4%	17.6%

Actual performance versus targeted TSR

Allocation date	Award price	Target ranking	Year	Actual ranking	Vesting %
December 2020	R12.44	Median	2023	Lower quartile	0.0%

RESTRICTED SHARES

According to the plan rules all December 2020 grants vested in the name of participants who were still employed by the group on 1 December 2023.

CONCLUSION

The SAR that vested in December 2023 are subject to exercise rights as described above while the PS that did not vest were forfeited. The restricted shares that vested to participants who are still employed by the group, were settled with RFG shares purchased in the open market which were transferred to the participants in settlement of the vested restricted shares.

Directors' remuneration

EXECUTIVE DIRECTORS

The remuneration paid or payable to the executive directors is reflected in the table below on the total single figure remuneration basis as required by King IV.

(R'000)		Salary and benefits	Retirement contributions	Guaranteed pay	Short-term incentive*	Long-term incentive	Total
2023							
Pieter Hanekom	Chief executive officer	5 655	752	6 407	5 982	–	12 389
Tiaan Schoombie	Chief financial officer	3 464	528	3 992	3 044	–	7 036
Total							19 425
2022							
Pieter Hanekom	Chief executive officer	5 335	716	6 051	4 296	–	10 347
Tiaan Schoombie	Chief financial officer	3 299	472	3 771	2 186	–	5 957
Total							16 304

* The amounts reflected for the short-term incentive and the share plan vesting under the long-term incentive scheme relate to the performance for the 2022 financial year (2022: relate to the 2021 financial year).

NON-EXECUTIVE DIRECTORS

(R'000)	2023 Directors' fees	2022 Directors' fees
Directors' fees		
Dr Yvonne Muthien	860	812
Thabo Leeuw	669	609
Selomane Maitisa	580	548
Venessa Naidoo*	232	–
Bongiwe Njobe	537	489
Chad Smart	384	362
Garth Willis	479	452
Mark Bower**	573	722
Bruce Henderson***	267	432
Total	4 581	4 426

* Appointed 1 May 2023

** Retired 30 June 2023

*** Retired 30 April 2023

Fees for services rendered as non-executive directors by Chad Smart and Garth Willis are paid as a management fee to Capitalworks Private Equity Advisor Proprietary Limited.

TOTAL DIRECTORS' REMUNERATION

(R'000)	2023	2022
Executive directors	19 425	16 304
Non-executive directors	4 581	4 426
Total	24 006	20 730

REMUNERATION REPORT continued

NON-EXECUTIVE DIRECTORS' FEES

The non-executive director fees were benchmarked by the independent advisor to the remuneration committee. The fees for certain roles were found to be below the market median and others to be above the median. In order to implement the company policy to target the market median for non-executive director fees and manage remuneration in a responsible manner, the board has proposed a phased approach to normalise the market position of the non-executive director fees by proposing the following fee increases:

- CPI + 10% if the fee for a specific role is below 80% of the median
- CPI + 5% if the fee is between 80% and 89% of the median
- CPI if the fee is between 90% and 110% of the median
- 50% of CPI if the fee is between 110% and 120% of the median
- No increase if the fee is over 120% of the market median.

The application of this approach has resulted in the following proposed adjustments:

- Increase of CPI + 10% for the fees for the board chairperson, the audit, risk and information technology chairperson, remuneration committee chairperson and member fees
- Increase of CPI + 5% for audit, risk and information technology committee members
- Increase of 50% of CPI for the board member fee
- Increase of CPI for the balance of the non-executive roles.

The total proposed fees for the 2024 financial year represent an increase of 11.4% over the approved fees for the 2023 financial year. The fees are subject to approval by shareholders at the AGM in March 2024.

Position	Proposed fees for the year ending 29 September 2024	Fees approved for the year ended 1 October 2023
Board		
Chairperson	1 002 000	860 350
Lead independent director	511 000	479 550
Member	396 000	383 700
Audit, risk and information technology committee		
Chairperson	242 000	207 800
Member	137 000	122 850
Remuneration committee		
Chairperson	161 000	138 100
Member	89 000	76 800
Social and ethics committee		
Chairperson	143 000	134 550
Member	78 000	73 300

Directors will receive R10 000 per meeting for attending extraordinary or ad hoc board and committee meetings at the request of the chairperson.

EXECUTIVE DIRECTORS' SHAREHOLDING

Executive directors	2023 ordinary shares			2022 ordinary shares		
	Direct	Beneficial	Total	Direct	Beneficial	Total
Pieter Hanekom	47 761	1 990 757	2 038 518	47 761	1 990 757	2 038 518
Tiaan Schoombie	–	3 927 942	3 927 942	–	3 927 942	3 927 942

The indirect beneficial interests of the executive directors are held through family investment entities. There are no interests held by associates of executive directors.

EXECUTIVE DIRECTORS' INTEREST IN 2015 AND 2021 SHARE PLANS

Executive directors	2023 share appreciation rights			2022 share appreciation rights		
	Unvested	Exercisable	Total	Unvested	Exercisable	Total
Pieter Hanekom	126 968	53 789	180 757	166 447	–	166 447
Tiaan Schoombie	127 907	66 933	194 840	177 252	–	177 252

Executive directors	Unvested performance shares 2023	Unvested performance shares 2022
Pieter Hanekom	821 234	495 547
Tiaan Schoombie	497 972	337 020

NON-EXECUTIVE DIRECTORS' SHAREHOLDING

Director	2023 ordinary shares			2022 ordinary shares		
	Direct	Beneficial	Total	Direct	Beneficial	Total
Dr Yvonne Muthien	63 380	–	63 380	60 530	–	60 530
Thabo Leeuw	61 000	–	61 000	61 000	–	61 000
Bongiwe Njobe	11 025	–	11 025	7 200	–	7 200
Chad Smart	–	4 117 654	4 117 654	–	4 117 654	4 117 654
Garth Willis	–	353 012	353 012	–	353 012	353 012
Mark Bower*	86 666	–	86 666	86 666	–	86 666
Bruce Henderson**	–	16 815 824	16 815 824	–	16 815 824	16 815 824

* Retired 30 June 2023

** Retired 30 April 2023

There are no interests held by any associates of any non-executive director.

The indirect beneficial interests of the non-executive directors are held through various investment entities.

2015 AND 2021 SHARE PLANS

The tables of unvested and exercisable share appreciation rights and unvested performance shares together with the associated cash flows are disclosed on the following [20](#) pages. The disclosures are in line with the King IV requirements and the guidance note provided by the Institute of Directors and the South African Reward Association.

PIETER HANEKOM (CEO)

INTEREST IN SHARE APPRECIATION RIGHTS AND PERFORMANCE SHARES

Share appreciation rights	Vesting date	Allocation price R	Number			Year-end IFRS 2 fair value R
			Allocated	Vested	Forfeited	Unvested
Unvested						
December 2017 allocation	December 2022	18.69	10 813	(10 813)	-	-
December 2018 allocation	December 2023	15.08	28 622	(14 311)	-	14 311
December 2019 allocation	December 2024	16.96	43 066	(14 355)	-	28 711
December 2020 allocation	December 2025	12.44	83 946	-	-	83 946
Total			166 447	(39 479)	-	126 968

Share appreciation rights	Expiry date	Allocation price R	Number			Year-end IFRS 2 fair value R
			Vested	Forfeited	Exercisable	Cash value on settlement
Vested and exercisable						
December 2017 allocation	December 2024	18.69	-	-	10 813	-
December 2018 allocation	December 2025	15.08	-	-	28 621	-
December 2019 allocation	December 2026	16.96	-	-	14 355	-
Total			53 789	-	53 789	359 685

Performance shares	Vesting date	Award price R	Number			Year-end IFRS 2 fair value R
			Awarded	Forfeited	Unvested	Cash value on settlement
December 2019 award	December 2022	16.96	-	(41 109)	-	-
December 2020 award	December 2023	12.44	83 946	-	83 946	-
March 2022 award	December 2024	11.40	-	-	370 492	-
December 2022 award	December 2025	12.19	-	-	366 796	-
Total			862 343	(41 109)	821 234	11 646 097

TIAAN SCHOOMBIE (CFO)

INTEREST IN SHARE APPRECIATION RIGHTS AND PERFORMANCE SHARES

Share appreciation rights	Vesting date	Allocation price R	Number			Year-end IFRS 2 fair value R
			Allocated	Vested	Forfeited	Unvested
Unvested						
December 2017 allocation	December 22	18.69	14 114	(14 114)	-	-
December 2018 allocation	December 23	15.08	35 176	(17 588)	-	17 588
December 2019 allocation	December 24	16.96	52 929	(17 643)	-	35 286
December 2020 allocation	December 25	12.44	75 033	-	-	75 033
Total			177 252	(49 345)	-	127 907

Share appreciation rights	Expiry date	Allocation price R	Number			Year-end IFRS 2 fair value R
			Vested	Forfeited	Exercisable	Cash value on settlement
Vested and exercisable						
December 2017 allocation	December 24	18.69	-	-	14 114	-
December 2018 allocation	December 25	15.08	-	-	35 176	-
December 2019 allocation	December 26	16.96	-	-	17 643	-
Total			66 933	-	66 933	447 177

Performance shares	Vesting date	Award price R	Number			Year-end IFRS 2 fair value R
			Awarded	Forfeited	Unvested	Cash value on settlement
December 2019 award	December 22	16.96	-	(50 893)	-	-
December 2020 award	December 23	12.44	-	-	72 147	-
March 2022 award	December 24	11.40	-	-	213 980	-
December 2022 award	December 25	12.19	-	-	211 845	-
Total			548 865	(50 893)	497 972	7 118 611

SOCIAL AND ETHICS COMMITTEE REPORT



RFG’s social and ethics committee (the committee) is a statutory committee which acts in terms of the delegated authority of the board. The committee is governed by a formal charter and assists the board in monitoring the group’s activities in terms of legislation, regulation and codes of best practice relating to corporate citizenship, organisational ethics, environmental sustainability, stakeholder engagement (including employees, customers, communities and shareholders) and empowerment and transformation.

The group’s policies and procedures are guided by the requirements of King IV and ensure that the rights of shareholders, employees, customers, suppliers and other stakeholders are respected and upheld. The group’s code of conduct and other ethics policies govern the conduct of employees and ensure alignment with the recommendations of the Organisation for Economic Cooperation and Development on corruption and the 10 principles set out in the United Nations Global Compact.

This report is presented to shareholders in accordance with the requirements of the Companies Act of South Africa.

Role of the committee

The responsibilities of the committee are as follows:

- Oversee and report on organisational ethics, RFG’s responsible corporate citizenship, sustainable development and stakeholder relationships.
- Assist the board to discharge its responsibility with respect to the approval, implementation and monitoring of policies and practices that promote RFG’s responsible corporate citizenship credentials, ensuring that the company is operating in a sound and ethical manner.
- Consider environmental, health and safety concerns, in particular the impact of the company’s activities and of its products or services.
- Implement the requirements of the Companies Act of South Africa and its regulations.
- Report annually to shareholders on matters within the committee’s mandate.

Committee composition

In accordance with the Companies Act and applying the recommendations of King IV, the committee consists of a majority of independent non-executive directors, including the chairperson of the committee. The committee members are appointed by the board.

The committee comprised the following members during the reporting period:

Bongiwe Njobe (chairperson)	Independent non-executive director
Selomane Maitisa	Independent non-executive director
Bruce Henderson*	Non-executive director
Garth Willis#	Non-executive director

* Retired 30 April 2023

Reappointed 1 July 2023

Biographical details of the committee members appear on 📄 pages 24 to 25 and fees paid to the members of the committee are disclosed on 📄 page 62. Attendance at committee meetings is detailed on 📄 page 50.

All directors, chief executive officer, chief financial officer and human resources director of the main operating subsidiary are invited to attend committee meetings. The company secretary is also the secretary to the committee.

Activities of the committee

Value cannot be created for stakeholders unless the right employees are selected, developed and rewarded. The group’s objective to innovate and deliver outstanding products is dependent on the commitment, energy and passion of employees. Value must therefore be created for employees in order to motivate and enable them.

RFG aims to create value for employees by providing meaningful work, competitive compensation opportunities and continued training and development, as well as ensuring that employees are empowered, not discriminated against and treated with respect.

In 2023 RFG created social value by focusing on the impact of the business on economic, environmental and social aspects, as well as considering how to further improve the well-being and enhance the development of employees.

The committee met four times during the year and addressed the following:

- Evaluated the group’s compliance with applicable legislation, rules, codes of best practice and standards for social and ethics committees.
- Monitored the development and application of policies, guidelines and practices in line with the group’s social and ethics policies, King IV and the JSE Listings Requirements and Sustainability Disclosure Guidance.
- Monitored whether management had allocated adequate resources to comply with social and ethics policies, codes of best practice and regulatory requirements.
- Reviewed the results of annual health and safety audits, including action plans to address significant findings.
- Monitored progress against the group’s BBBEE targets, the employment equity plans for its South African businesses, and considered the group’s empowerment and transformation progress.
- Reviewed the new employment equity plan for 2024, ensuring its alignment to the group’s BBBEE targets and regulatory guidance for draft sectoral targets.
- Reviewed talent management plans and progress, ensuring alignment to transformation objectives.
- Reviewed reports on tip-offs by whistleblowers and how these were addressed by management.
- Evaluated the group’s corporate social investment (CSI) programme, focusing primarily on the following:
 - » Investment in the group’s employee assistance programme
 - » Investment in employee learning and development
 - » Investment in social upliftment programmes
- Continued to focus on environmental and social sustainability matters as detailed in the sustainability report on 📄 pages 70 to 79.
- Ensured that progress on sustainability and corporate citizenship issues are appropriately reported to stakeholders.
- Considered the responsibilities and requirements for climate change, noting the new IFRS S1 and S2 requirements from the 2025 financial year.
- Committed to setting science-based targets in 2024 to be achieved by 2030 to align the group with the objectives of the Paris Agreement for net-zero greenhouse gas emissions by 2050.
- Recommended measures aimed at enhancing the group’s overall social and ethics objectives.

Organisational ethics

The committee aims to ensure that RFG’s activities support its commitment to being a responsible corporate citizen. In addition, the committee assists the board in setting the tone for an ethical organisational culture by overseeing RFG’s conduct, approach and manner in which the business is conducted with due regard to value creation in society.

Transformation has continued to be a major focus area in 2023.

RFG proactively addresses sexual harassment in the workplace together with all forms of harassment, discrimination or bullying. The group applies a zero-tolerance approach to all of these issues.

Corporate citizenship

Activities undertaken during the reporting period to enhance corporate citizenship included the following:

- Compliance review completed, to ensure compliance with laws, rules, codes and standards.
- Continued focus on employment equity.
- Fire risk prevention project continued.
- Continued commitment to better the lives of the lowest paid employees.
- The employee wellness service continued to assist employees in addressing mental, social and physical issues affecting their work performance and general well-being.
- The short-term incentive scheme includes transformation and environmental elements, with performance metrics and targets.

Progress is monitored through health and safety audits, ethical audits (Sedex), Department of Employment and Labour audits, internal audits conducted by PricewaterhouseCoopers, employment equity audits and engagement with the Consumer Goods Ombud.

SOCIAL AND ETHICS COMMITTEE REPORT continued

Priority areas for 2024:

- Continued focus on transformation and improving the group's BBBEE performance.
- Monitor adherence to the new employment equity plan for 2024 to meet the group's empowerment targets and regulatory compliance.
- Conduct talent assessments at the middle and junior management levels to develop and support specific and targeted training and development interventions to meet succession planning requirements.
- Reinforce a culture of continuous learning.
- Ongoing focus on improving the lives of the lowest paid employees.
- Continued review of income differentials and the progress to close gaps.
- Ongoing efforts to ensure the success and sustainability of the enterprise development and supplier development projects, with specific focus on agricultural projects.
- Appoint a dedicated manager to head the group's sustainability portfolio to embed the sustainability framework and improve environmental sustainability performance.
- Consider the impacts of climate change on the business as well as the wider environment and society and take action to reduce and mitigate these.
- Develop a net-zero commitment and implementation plan for the group.
- Develop a just transition plan to ensure a people-centred approach to addressing the impacts of climate change.
- Continue to implement the stakeholder engagement strategy.

Committee functioning

The committee members are satisfied that the committee has functioned in accordance with its terms of reference and believe the group is substantively addressing the issues required to be monitored in terms of the Companies Act of South Africa. Policies and programmes are in place to maintain high standards of good citizenship and address the needs of internal and external stakeholders, including fair labour practices and sound consumer relations.



Bongive Njobe
Chairperson

8 December 2023



SUSTAINABILITY REPORT



RFG's integrated environmental, social and governance strategy has been aligned with five of the United Nations Sustainable Development Goals where the group can make a meaningful contribution to addressing environmental and societal challenges.

This report is a summary of the Sustainability Report 2023, which is available on the website www.rfg.com and provides a detailed analysis of the group's environmental and social sustainability programmes.

RFG recognises that sustainable development is an essential element of the value creation process and is committed to responsible environmental, social and governance (ESG) practices.

The board and management believe that encouraging progress has been made on sustainability issues. However, as the risks posed by climate change, socio-economic challenges and political instability have become more apparent, the importance of further integrating SDGs into the business has been highlighted.

SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for Sustainable Development, adopted by all United Nations member states in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs) which recognise that "ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth, all while tackling climate change and working to preserve our oceans and forests".

RFG has identified priority SDGs where it can make a meaningful contribution to solving environmental and social challenges.

These priority goals are separately listed under the environmental sustainability and social sustainability reports below and the alignment of RFG's initiatives to specific SDG targets is referenced throughout the report.

SUSTAINABILITY GOVERNANCE

RFG recognises that sustained value creation is founded on good governance and responsiveness to significant social and environmental challenges and opportunities.

Responsibility for the oversight of sustainability-related issues is delegated by the board to the social and ethics committee. The committee aims to ensure that the group's activities support its role as a responsible corporate citizen and assist the board in creating an appropriate environment for an ethical organisational culture by overseeing the group's conduct, approach and manner in which the business is conducted with due regard to value creation in society. An environmental and sustainability committee was established by management to oversee the effective implementation of the group's sustainability strategy.

Environmental sustainability

RFG is committed to achieving a sustainable food value chain by minimising environmental impacts of the day-to-day operations and increasing operational efficiency.

Understanding that food production and agriculture are natural resource intensive, and that environmental factors such as climate change put natural resources under stress, the group has implemented reduction targets under four key environmental performance areas (KPA).

THE KPAs IDENTIFIED ARE:

- 1 Waste management
- 2 Water consumption
- 3 Energy consumption
- 4 Air emissions management



THE KPAs ARE ALIGNED TO FIVE OF THE SDGs WHICH THE GROUP HAS IDENTIFIED AS PRIORITIES:

CLEAN WATER
AND SANITATION



AFFORDABLE
AND CLEAN ENERGY



RESPONSIBLE
CONSUMPTION
AND PRODUCTION



CLIMATE
ACTION



LIFE
ON LAND



These four KPAs apply to all operations across the group. Group reduction targets have been set for each KPA for 2025 and data capture and processing systems have been established to monitor the group's environmental performance and progress. Each operation has specific reduction targets based on individual variables such as seasonality and the nature of production.

The group's short-term incentive scheme has been aligned with the environmental sustainability objectives. The group's score for performance against the four environmental KPAs is applied as a non-financial measure in determining incentive payouts.

SUSTAINABILITY REPORT continued

ENVIRONMENTAL KEY PERFORMANCE AREAS

Metric	MEASURING EFFICIENCY	Unit	Target for 2025	2023	2022	2021	2020
1 WASTE MANAGEMENT	Tons of waste generated/ton of production: Measures the amount of waste sent to landfill, for every ton of production.	Ton	0.01	0.004	0.006	0.007	0.053
2 WATER CONSUMPTION	Kilolitres/ton of production: Measures the amount of water used for every ton of production.	Kl	5.52	7.31*	6.63	7.17	8.18
3 ENERGY CONSUMPTION	kWh/ton of production: Measures the amount of electricity being used for every ton of production.	kWh	158	169	196	203	214
4 AIR EMISSIONS MANAGEMENT	Tons CO ₂ /ton of production: Measures the amount of carbon dioxide being generated for every ton of production.	CO ₂ tons	0.25	0.26	0.29	0.29	0.28

* Water consumption adversely impacted by a change in product mix.



1 WASTE MANAGEMENT

	2 ZERO HUNGER SDG 2: ZERO HUNGER	12 RESPONSIBLE CONSUMPTION AND PRODUCTION SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION
OBJECTIVE	Promote a circular economy with waste streams by minimising and diverting waste from landfill through alternative waste treatment initiatives and improving packaging design for recyclability. Prevent food waste from going to landfill and donate any edible food surplus to under-resourced schools and community initiatives.	

RFG’s waste management efforts support SDG target 12.5 which aims to substantially reduce waste generation through prevention, reduction, recycling and reuse by 2030.

Landfill sites in South Africa are under pressure with limited space available. Eswatini only has six commissioned and managed sanitary landfill sites. Understanding these landfill challenges and knowing that waste has the potential to adversely impact the natural environment when not managed correctly, the group’s waste management approach looks at reducing and repurposing waste streams maximising recycling systems where possible.

Key waste management developments for the past financial year:

- SOLID WASTE AND RECYCLING

 - Currently 95% of waste generated at the Groot Drakenstein plant is reused on-site or recycled, with only 5% sent to landfill.
 - New separation of source projects have been implemented at the fresh foods operations at Groot Drakenstein, Aeroton and Linbro Park, resulting in a significant increase in recycling of raw material packaging.
 - Ongoing research and development is carried out to inform packaging design for recyclability to comply with the National Environmental Management: Waste Act’s extended producer responsibility (EPR) regulations.
 - A wooden pallet repurposing initiative has been implemented at the majority of sites where pallets are donated to local communities or to staff as building materials or collected by local furniture makers.
 - At Eswatini, all raw material metal drums are donated to local communities for water collection.
- FOOD AND ORGANIC WASTE MANAGEMENT

 - The group is a core signatory of the National Food Loss and Waste Agreement and is committed to reducing its food waste by 50% by 2030.
 - Through redistributing non-marketed food products to local charities, Groot Drakenstein currently sends no food waste to landfill.
 - At the Groot Drakenstein dairy farm cow manure is collected, processed and reused.
 - The Eswatini facility composts all organic waste from the pineapple factory in windrows. The current compost usage at the pineapple farms is 10 tonnes per hectare.

Food loss and waste is a major environmental and social issue in South Africa. Many South Africans experience food shortages and hunger. Food waste, when discarded in landfill, decomposes to produce methane (greenhouse gas). Understanding the urgent need to address food loss and waste, the group has become a signatory of the South African Food Loss and Waste Agreement which is co-led by the Consumer Goods Council of South Africa, the Department of Trade, Industry and Competition and the Department of Environment, Forestry and Fisheries. As a core signatory to the agreement, the group is committing to reduce food waste by 50% by 2030 and to report on progress annually. This agreement is aligned to SDG target 12.3 which aims to halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.

2 WATER CONSUMPTION

	6 CLEAN WATER AND SANITATION SDG 6: CLEAN WATER AND SANITATION
OBJECTIVE	Conserve water sources by designing systems that reduce water usage, avoid water wastage and recycle water where possible.

Food production is water and resource intensive. The group’s focus to conserve water resources has been to optimise production lines to reduce the water demand and to improve system and infrastructure monitoring to identify unnecessary water wastage. This supports SDG target 6.4 which aims to substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity.

Water usage (Kilolitres)	2023	2022	2021
Total volume of water used, including municipal and abstraction	2 353 234	2 050 077	2 148 248

Water availability and the security of supply has been identified as a significant environmental risk for the business. While certain sites have a stable supply of water, the group is vulnerable to a reduction in water availability or quality. Quality initiatives are reflected under waste management.

Most plants are reliant on municipal water supply, and where feasible, boreholes have been commissioned and storage tanks installed.

SUSTAINABILITY REPORT continued



3 ENERGY EFFICIENCY

7 AFFORDABLE AND CLEAN ENERGY

SDG 7: AFFORDABLE AND CLEAN ENERGY

OBJECTIVE

Implement energy efficient technology and processes to minimise energy consumption where feasible.

Implementing energy efficient technology and processes and shifting towards renewable energy sources has been made a priority for the group. All sites collect and report on energy consumption data which allows management to review usage and identify ways to reduce consumption. Energy consumption at each operation is affected by seasonality, demand and production levels. Each production facility therefore has specific energy intensity reduction targets, essentially aiming to reduce the amount of electricity that is being used for every ton being produced.

South Africa continues to experience an energy crisis with the national grid subject to widespread load shedding. To ensure that production is not interrupted, all South African operations have backup generators on-site. In 2023 the group significantly accelerated its renewable energy infrastructure programme with four new solar photovoltaic (PV) installations, battery energy storage solutions and inverters. Solar energy solutions have been installed at seven production facilities as well as the dairy farm, with a further four solar installations planned for 2024. It is in the group's interest to invest in renewable energy technology to ensure reliable energy resources that are also cleaner and have a lower carbon footprint. Only three sites will not be solar enabled by the end of the 2024 financial year.

This is aligned with SDG target 7.2 which aims to substantially increase the share of renewable energy in the global energy mix as well as SDG target 7.3 which aims to double the global rate of improvement in energy efficiency.



Key developments in implementing energy efficient technology and processes for the past financial year:

- The group's first solar installation at the fruit juice plant in Wellington has been operational for two years, supplying the factory with a portion of its energy demand. The energy output during the summer months increases and the factory draws more solar power. This is the first site to move towards green energy and the PV rooftop installation generates peak power output of 928 kilowatts. During 2023, phase two of the installation was successfully commissioned, adding 777 kilowatts of solar energy to the plant.
- A large-scale solar PV installation was completed at Groot Drakenstein and is currently in its commissioning phase. This forms part of phase one of the planned solar PV project for the site. Phase two will see a ground mounted installation due for completion in March 2024. The completed system will supply 42% of Groot Drakenstein's energy demand.
- All facilities have continued converting lighting to LED, a more energy efficient lighting source. Motion sensors have also been introduced to reduce energy when lighting is not required.
- Skylights have been installed at different factories to promote natural lighting and reduce the need for electrical lighting.
- Most sites have been installed with solar powered perimeter lights to supplement outdoor lighting requirements.
- The lagging and cladding on steam and refrigeration lines have been upgraded at most sites, to reduce energy losses.

4 AIR EMISSIONS MANAGEMENT

13 CLIMATE ACTION

SDG 13: CLIMATE ACTION

OBJECTIVE

Reduce greenhouse gas emission by investing in renewable energy technology and optimised processes.

Climate action is crucial to conserve natural resources, regulate normal weather patterns and to prevent prolonged periods of drought. South Africa has witnessed the impacts of climate change, from being a water scarce country and experiencing drought, to the extreme of experiencing severe flooding. The effects of climate change impact our business by reducing agricultural yields, limiting access to critical natural resources and affecting fruit and vegetable crops which form a major part of the group's raw material purchases for use in production.

The group's strategy to reduce its carbon footprint and greenhouse gas (GHG) emissions is to transition to renewable energy technology where possible, reducing reliance on fossil fuel burning equipment. Technology upgrades have been implemented to improve processes and production efficiency, and steam line insulations to reduce the heat emitted from boilers.

GHG emissions are impacted by the use of backup generators at production facilities to mitigate excessive electricity load shedding.

GHG emissions	2023	2022	2021	2020
Total carbon dioxide emissions (CO ₂ e) – tons CO ₂ e emitted	85 607	94 771	86 497	80 835

The group's carbon footprint includes both direct and indirect emissions. Direct emission sources are categorised as scope 1 emissions according to the GHG Protocol. This includes emissions from company owned fuel combustion equipment, livestock and manure, and land use activity. Indirect emission sources are categorised as scope 2 as per the GHG Protocol. This includes emissions from purchased energy and electricity. To calculate scope 2 emissions for diesel, heavy furnace oil, petrol, paraffin and liquified petroleum gas, country-specific emission factors were used against the total amount of this fuel type burned. To calculate scope 2 emissions for natural gas, Intergovernmental Panel on Climate Change (IPCC) emission factors were applied. To calculate scope 2 emissions for coal, quality certificates were collected from suppliers to get the carbon content and calorific value of coal. All the group's suppliers are registered with the South African Greenhouse Gas Emissions Reporting System (SAGERS).

GHG emissions	2023	2022	2021	2020
Scope 1 (direct)	62%	61%	59%	58%
Scope 2 (indirect)	38%	39%	41%	42%

The group's environmental and sustainability committee recognises the importance of an ongoing assessment of the KPA data to review and improve the performance of each operation. Continuous improvement not only contributes to improved environmental management, but also reduces operating costs and improves returns for shareholders in the longer term. The group plans further investment in renewable energy infrastructure and other environmental sustainability initiatives in 2024 which include:

- Phase two of the solar PV system at Groot Drakenstein, a ground mounted installation, which is due for completion in March 2024.
- Additional solar installations will be completed in 2024 at the ready meals and pies operations on the Aeroton site, the pies and pastries facility in Linbro Park and the fruit products Western Cape operation in Tulbagh.
- Appointing a Head of Sustainability to implement additional programmes to further minimise the environmental impact of the group and improve its long-term sustainability.
- Setting science-based targets for GHG emission reductions by 2030.

SUSTAINABILITY REPORT continued

SUSTAINABLE FARMING PRACTICES IN ESWATINI

SDG 15
LIFE ON LAND

RFG is committed to sustainable agricultural practices across its pineapple farms in Eswatini, comprising the 745-hectare plantation in Malkerns and 685-hectare leased plantation in Siphofaneni. These plantations produced a combined harvest of 42 000 tons of pineapple in the past season.

All pineapple products are processed at the group's fruit products manufacturing facility located in the Malkerns Valley. Factory operations and production processes are designed to reduce organic waste and water usage.

As the two farms are located in separate ecological zones that are influenced by different climatic conditions, each has specific soil, plant and water requirements. Siphofaneni has a warmer climate and is at a lower altitude than Malkerns, with moderate rainfall throughout the year. Pineapple crops grow quicker in this region compared to Malkerns and irrigation is only carried out to supplement rainfall and the water retention in the soil.

COMPOSTING AND SOIL MANAGEMENT

Organic waste generated at the fruit products factory is placed into composting windrows located on a section of the Malkerns farm. These windrows comprise approximately 75% factory organic waste and 25% chicken manure, while sawdust is occasionally used to increase the carbon content of the compost.

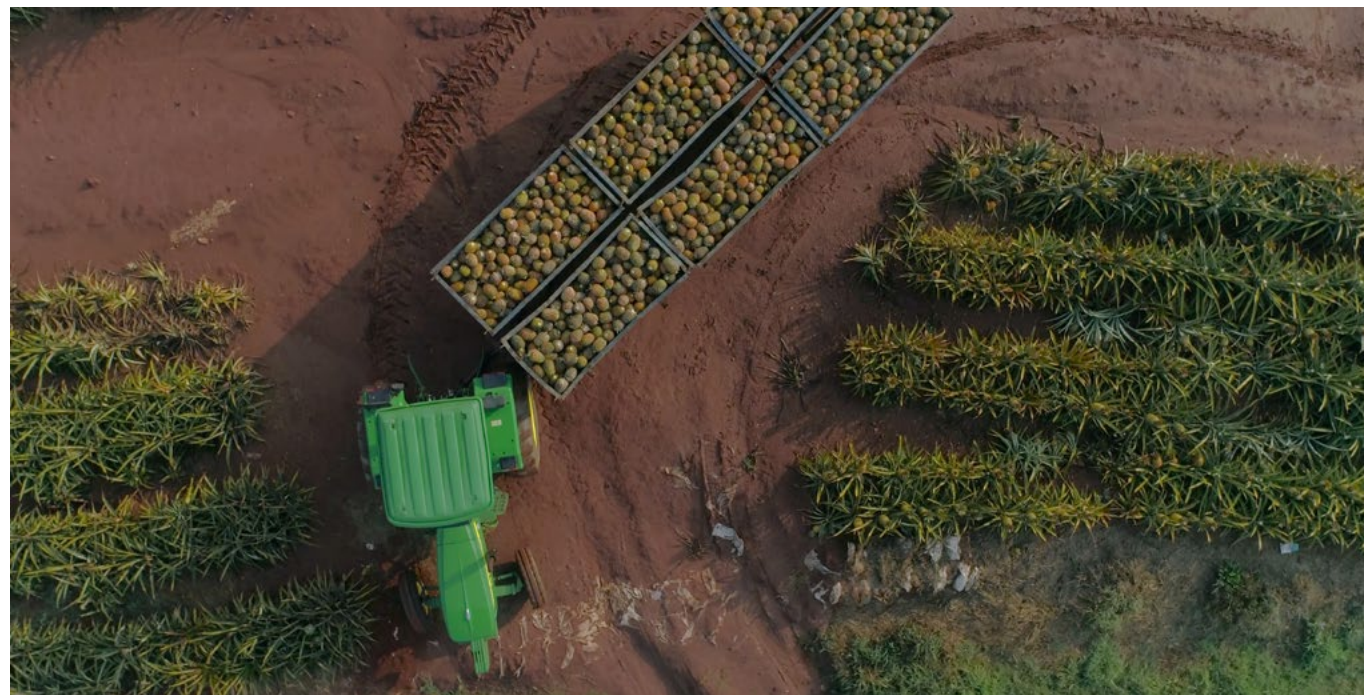
A compost turning machine aerates the mass and promotes biodegradation and microbial growth. A barrier has been constructed around the composting site to prevent seepage into the nearby Mlilwane River. The compost is ready to be applied to the land after eight weeks and is tested to determine the nutritional and mineral values of the compost as well as detect any traces of heavy metals. An average of 10 tons of compost is applied per hectare.

WATER MANAGEMENT

Pineapple is a water efficient crop which is mostly rain fed. Regular soil testing is conducted at both farms to measure moisture content. Plants are also carefully monitored for signs of water stress. Based on these assessments, the irrigation needs are determined for each farm. As pineapple is prone to phytophthora root rot, crops are planted on elevated ridges to avoid water saturation near the roots. Irrigation canals that source water from the Great Usutu River are the main water supply for Siphofaneni while two reservoirs have been constructed for water storage.

RAINFOREST ALLIANCE CERTIFICATION

RFG was Rainforest Alliance certified in 2023 following an assessment of compliance with social, economic and environmental sustainability standards. No highly hazardous pesticides that pose a risk to the environment may be used on the farms while soil preparation, plant health management and harvesting are carried out in accordance with the certification.



Social sustainability

EMPOWERMENT AND TRANSFORMATION

The group subscribes to the philosophy of broad-based black economic empowerment (BBBEE) and is committed to the spirit and principles of the BBBEE Act as well as compliance with the AgriBEE codes, which relate specifically to the agricultural and food production sector.

Management believes that development, transformation, empowerment and economic growth are complementary imperatives and the group aims to foster transformation through its business activities and by contributing to the broader society.



RFG'S EFFORTS ARE ALIGNED TO SIX SDGs WHICH THE GROUP HAS IDENTIFIED AS PRIORITIES:

ZERO HUNGER	GOOD HEALTH AND WELL-BEING	QUALITY EDUCATION	GENDER EQUALITY	DECENT WORK AND ECONOMIC GROWTH	REDUCED INEQUALITIES
2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES



The group's transformation strategy is focused on four key stakeholder groups:

- **SHAREHOLDERS** – seeking to deliver competitive long-term returns and to attract a diversified shareholder base;
- **EMPLOYEES** – focus on employment equity-based placement practices, skills training and employee development;
- **SUPPLIERS AND BUSINESS PARTNERS** – developing meaningful and enduring business partnerships that will provide value creating opportunities; and
- **THE COMMUNITY** – contributing to the development and upliftment of communities in need.

RFG attained 97.57 points on the amended AgriBEE sector code and maintained its level 2 BBBEE rating. The rating was independently verified by Honeycomb BEE Ratings, a SA National Accreditation System verification agent.

The group's short-term incentive scheme has been aligned with the transformation and empowerment objectives. The group's score for performance against the preferential procurement, enterprise and supplier development, and management control elements of the AgriBEE sector codes is applied as a non-financial measure in determining incentive payouts.

BBBEE scorecard

Element	Maximum score	2023	2022	2021	2020	2019
Ownership	25	18.63	18.30	17.01	15.45	6.02
Management control	19	10.88	9.72	8.93	10.60	11.50
Skills development	20	15.92	16.45	15.27	16.73	15.11
Preferential procurement and enterprise development	40	37.21	37.67	35.67	33.62	24.63
Socio-economic development	15	14.92	14.07	15.00	15.00	11.87
Total	129	97.57	96.21	91.88	91.40	69.13
BBBEE level		2	2	3	3	8

SUSTAINABILITY REPORT continued

OWNERSHIP

RFG's score for the BBBEE ownership element has continued the improvement experienced since 2020, increasing to 18.63 points against 18.30 points in 2022.

Management notes that the group's overall BBBEE rating may fluctuate markedly from year to year as the ownership score is sensitive to changes in the group's institutional shareholding and is dependent on the BBBEE status of its shareholders.

MANAGEMENT CONTROL AND EMPLOYMENT EQUITY

Black non-executive directors accounted for 56% (2022: 40%) of the board, with five black non-executive directors, including a black female chairperson. Female directors comprise 44% (2022: 30%) of the board, supporting SDG target 5.5 which aims to ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making.

RFG's score for this element increased to 10.88 points from 9.72 points in 2022, with improved performance on most management levels.

Labour statistics	2023	2022	2021	2020
Total number of permanent employees	3 488	3 427	3 378	3 430
Total number of contractors	1 749	1 972	1 770	1 062
Total number of employees and contractors	5 237	5 399	5 148	4 492
Total number of employees and contractors operating in South Africa	4 188	4 482	4 285	4 211
Percentage of management (top and senior) deemed a historically disadvantaged South African person (HDSA)	45%	37%	37%	37%
Percentage of management (top and senior) who are women	23%	20%	21%	21%
Percentage of total employees who are deemed HDSA	97%	97%	97%	97%
Percentage of total employees who are women	45%	48%	46%	47%
Percentage of total employees who belong to a trade union	34%	38%	43%	37%
Employee turnover (number of persons who departed relative to the total number of employees at year end)	10.3%	9.5%	10.1%	11.3%
Total number of person hours worked	14 550 869	14 752 328	13 020 280	13 809 247
Total number of person days lost due to absenteeism	39 686	34 540	56 323	47 297
Total number of person days lost due to industrial action	–	1 160	11 112	3 600

SKILLS DEVELOPMENT

The group invested 3.3% (2022: 2.5%) of its annual payroll on the training and development of black employees.

Black employees on learnerships comprise 8.8% (2022: 5.6%) of the workforce, with the number of women participating in learnerships being 4.7% (2022: 3.4%) of total employees.

The score for the skills development element has decreased from 16.45 points in 2022 to 15.92 points in 2023.

Skills development is a key enabler to the ongoing growth and transformation of the business. A talent and learning strategy was developed to identify skills gaps and development needs. Extensive learnership programmes are offered to employees, including programmes for people with disabilities, where significant progress has been made. This supports SDG target 4.4 which aims to substantially increase the number of people who have relevant skills for employment.

PREFERENTIAL PROCUREMENT, ENTERPRISE
AND SUPPLIER DEVELOPMENT**SDG 2:
ZERO HUNGER**

The group's spend with BBBEE suppliers was 87.5% (2022: 69.7%) of total procurement, with 15.9% (2022: 17.4%) spent on procurement with qualifying small, medium and micro-enterprises (SMMEs). There is continued emphasis on growing black owned SMMEs, particularly businesses owned by black women.

RFG will continue to focus its enterprise and supplier development initiatives to help bring about meaningful transformation in the agricultural sector with specific emphasis on its own supplier base.

The group invested 1.9% (2022: 1.1%) of profit after tax on enterprise development initiatives against a target of 1% (2022: 1.5%). Projects include the further development of two black owned SMMEs, one of which distributes a range of the group's products.

The group also invested 1.8% (2022: 1.9%) of profit after tax on supplier development initiatives against a target of 2%. Projects include the further development of several black-owned SMMEs, which supply RFG with fruit and vegetables.

The most significant project is the continued funding of the development of the Constitution Road Wine Growers (CRWG) farm, which is majority owned by black, female farm workers. CRWG supplies RFG with fruit for processing, with 1 604 tonnes received in the reporting period. This reflects extremely good growth given the humble beginnings of 100 tons in 2009. This activity supports SDG target 2.3 which aims to double the agricultural productivity and incomes from small-scale food producers, in particular women.

SOCIO-ECONOMIC
DEVELOPMENT**SDG 2:
ZERO HUNGER**

Active support of social upliftment programmes contributed to the group achieving a score of 14.92 for socio-economic development. In South Africa, this includes providing support to organisations involved in national food distribution programmes and soup kitchens, such as Meals on Wheels, Gift of the Givers, Pebbles Project, Ladles of Love, Food Forward SA and SA Harvest. The group also contributes financially to The Woolworths Trust, which in turn supports community projects. In 2023, the group continued to support local organisations providing relief to the communities in which the group operates, including Paarl Hospice, Nation Builders, Magda's Soup Kitchen, Fountain of Hope, Cradle of Love and TLC Children's Home. In Eswatini, support is provided to a range of community and caregiving organisations.

Commitment to sustainability

RFG will endeavour to align its efforts with the key principles outlined in South Africa's Just Transition framework by adopting a people-centred approach to addressing the impacts of climate change. Recognising that we operate in a sector that has already begun to experience the impacts of increasingly volatile weather, we acknowledge the potential impact on job security in our industry and the need to create re-skilling and training opportunities for the jobs of the future.

RFG is committed to responsible business practices that mitigate the impact on the environment and contribute to a better society.

Given the environmental and social challenges that persist on a national and international level, it is important that we continue to focus and align our environmental and sustainability strategy to the SDGs.





Increased profitability and lower net working capital resulted in stronger cash generation, enabling the group to reduce debt to its lowest level since the listing on the JSE a decade ago.



FINANCIAL AND SHAREHOLDER INFORMATION

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SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS as at 1 October 2023

The summarised consolidated financial information of RFG Holdings Limited for the year ended 1 October 2023 is set out in the following pages 83 to 94.

The directors of RFG Holdings Limited are responsible for the preparation of the summarised consolidated financial information contained in these audited summarised consolidated financial statements.

The financial statements were prepared under the supervision of Tiaan Schoombie (CA)SA, chief financial officer.

Pieter Hanekom
Chief executive officer
Groot Drakenstein
17 November 2023

Tiaan Schoombie
Chief financial officer

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION for the year ended 1 October 2023

	Notes	2023 R'000	2022 R'000
ASSETS			
Non-current assets		2 645 832	2 657 659
Property, plant and equipment	2	1 898 663	1 845 124
Right-of-use assets	3	113 902	146 185
Intangible assets		156 923	189 550
Goodwill		444 857	444 857
Investment in associate		6 866	7 384
Deferred taxation asset		395	283
Biological assets		14 684	14 857
Loans and other receivables		9 542	9 419
Current assets		2 904 060	2 765 945
Inventory	4	1 669 543	1 543 959
Accounts receivable		1 159 781	1 171 968
Biological assets		27 769	27 655
Loans and other receivables		12 260	11 970
Taxation receivable		18	26
Cash and cash equivalents		34 689	10 367
Total assets		5 549 892	5 423 604
EQUITY AND LIABILITIES			
Capital and reserves		3 406 583	3 032 943
Stated capital		1 544 818	1 554 251
Equity-settled employee benefits reserve		37 615	15 994
Accumulated profit		1 813 407	1 452 951
Equity attributable to owners of the Group		3 395 840	3 023 196
Non-controlling interest		10 743	9 747
Non-current liabilities		614 419	877 284
Loans		261 382	476 826
Lease liabilities		100 729	137 197
Deferred taxation liability		240 092	250 086
Employee benefit liability		12 216	13 175
Current liabilities		1 528 890	1 513 377
Accounts payable and accruals		974 328	905 408
Employee benefits accruals		117 750	95 274
Taxation payable		37 325	18 827
Loans		217 867	217 388
Lease liabilities		49 274	45 339
Bank overdraft		132 346	231 141
Total equity and liabilities		5 549 892	5 423 604

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 1 October 2023

	Notes	2023 R'000	2022 R'000
Revenue	5	7 886 679	7 255 150
Direct manufacturing costs	4	(5 085 573)	(4 889 047)
Manufacturing operating costs	4	(822 914)	(725 314)
Selling and distribution costs		(539 870)	(559 067)
Other operating costs		(699 676)	(565 154)
Other income		18 059	56 533
Operating profit before associate profit		756 705	573 101
Associate (loss)/profit		(518)	1 323
Profit before interest and taxation		756 187	574 424
Interest expense		(99 358)	(89 214)
Interest income		444	749
Profit before taxation		657 273	485 959
Taxation		(179 737)	(124 036)
Profit for the year		477 536	361 923
Other comprehensive income			
Items that will not be reclassified to profit or loss		1 181	65
Remeasurement of employee benefit liability		1 629	77
Deferred taxation effect		(448)	(12)
Total comprehensive income for the year		478 717	361 988
Profit for the year attributable to:			
Owners of the Group		476 595	360 684
Non-controlling interest		941	1 239
		477 536	361 923
Total comprehensive income for the year attributable to:			
Owners of the Group		477 721	360 749
Non-controlling interest		996	1 239
		478 717	361 988
Earnings per share (cents)	6.2	183.0	137.9
Diluted earnings per share (cents)	6.2	181.6	137.3

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 1 October 2023

	Notes	Stated capital R'000	Equity-settled employee benefits reserve R'000	Accumulated profit R'000	Non-controlling interest R'000	Total R'000
Balance at 26 September 2021		1 562 509	15 470	1 166 065	8 508	2 752 552
Profit for the year		–	–	360 684	1 239	361 923
Other comprehensive income for the year		–	–	65	–	65
Equity-settled employee benefits expense recognised		–	7 694	–	–	7 694
Equity-settled employee benefits settlement ¹		–	(7 170)	2 275	–	(4 895)
Acquisition of treasury shares		(8 258)	–	–	–	(8 258)
Dividend paid	9	–	–	(76 138)	–	(76 138)
Balance at 2 October 2022		1 554 251	15 994	1 452 951	9 747	3 032 943
Profit for the year		–	–	476 595	941	477 536
Other comprehensive income for the year		–	–	1 126	55	1 181
Equity-settled employee benefits expense recognised		–	26 073	–	–	26 073
Equity-settled employee benefits settlement ¹		–	(4 452)	2 557	–	(1 895)
Acquisition of treasury shares		(9 433)	–	–	–	(9 433)
Dividend paid	9	–	–	(119 822)	–	(119 822)
Balance at 1 October 2023		1 544 818	37 615	1 813 407	10 743	3 406 583

¹ Settled by purchase of shares in the open market.

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 1 October 2023

	Notes	2023 R'000	2022 R'000
Cash flows from operating activities			
Cash generated from operations		1 075 075	672 696
Interest paid		(99 162)	(90 503)
Interest received		444	749
Taxation paid		(171 785)	(155 577)
Net cash inflow from operating activities		804 572	427 365
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(288 412)	(259 863)
Purchase of intangible assets		–	(141)
Proceeds on disposal of property, plant and equipment		717	8 168
Acquisition of business	10	–	(53 726)
Loans and other receivables advanced		(7 266)	(5 296)
Loans and other receivables repaid		7 284	3 308
Net cash outflow from investing activities		(287 677)	(307 550)
Cash flows from financing activities			
Equity-settled employee benefits settlement ¹		(1 895)	(4 895)
Acquisition of treasury shares		(9 433)	(8 258)
Loans raised		–	150 000
Loans repaid		(214 965)	(91 900)
Principal portion of lease liabilities repaid		(47 663)	(35 419)
Dividend paid	9	(119 822)	(76 138)
Net outflow from bank overdraft		(98 795)	(46 224)
Net cash outflow from financing activities		(492 573)	(112 834)
Net increase in cash and cash equivalents		24 322	6 981
Cash and cash equivalents at beginning of the year		10 367	3 386
Cash and cash equivalents at end of the year		34 689	10 367

¹ Settled by purchase of shares in the open market.

SUMMARISED CONSOLIDATED SEGMENTAL REPORT

for the year ended 1 October 2023

Products and services from which reportable segments derive their revenue

Information reported to the chief operating decision-maker for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided, and in respect of the “regional” and “international” operations, the information is further analysed based on the different classes of customers. The chief operating decision-maker of the Group has chosen to organise the Group around the difference in geographical areas and operate the business on that basis.

Specifically, the Group's reportable segments under IFRS 8: Operating segments are as follows:

- Regional
- International

Segment revenue and results

The Group's revenue and results by reportable segment are analysed and incorporate disaggregation of revenue.

	Notes	2023 R'000	2022 R'000
Segment revenue			
Regional			
Fresh products sales		2 264 421	2 095 228
Long life products sales		3 735 508	3 367 311
		5 999 929	5 462 539
International			
Long life products sales		1 886 750	1 792 611
Total	5	7 886 679	7 255 150
Segment profit			
Regional		527 090	323 410
International		244 571	209 108
Operating profit from normal activities¹		771 661	532 518
Impairment loss		(15 474)	(1 348)
Acquisition costs		–	(146)
Insurance claim proceeds ²		–	43 400
Interest income		444	749
Interest expense		(99 358)	(89 214)
Profit before taxation		657 273	485 959

¹ Operating profit from normal activities excludes items that do not occur in the normal course of the Group's operating activities.

² Insurance claim proceeds relate to an insurance settlement for loss of profits during the Covid-19 lockdown in 2020. This amount relates to the regional segment and is recognised in other income in the statement of profit or loss and other comprehensive income.

SUMMARISED CONSOLIDATED SEGMENTAL REPORT for the year ended 1 October 2023 *continued*

	Notes	2023 R'000	2022 R'000
Segment depreciation			
Regional		177 429	172 827
International		93 143	58 332
	2, 3	270 572	231 159
Segment amortisation			
Regional		27 642	12 404
International		519	266
		28 161	12 670
Share of (loss)/profit of associate			
Regional		(518)	1 323

Segment revenue reported above represents revenue generated from external customers. Intercompany sales in the regional long life segment amounted to R461.778 million (2022: R425.229 million), which have been eliminated upon consolidation.

Segment profit represents the profit before tax earned by each segment without allocation of impairment losses, acquisition costs, interest received and interest paid. This is the measure reported to the chief operating decision-maker for the purpose of resource allocation and assessment of segment performance.

Geographical information

The Group's non-current assets by location of operations (excluding goodwill and deferred taxation asset) and revenue are detailed below. The chief operating decision maker does not evaluate the Group's assets or liabilities on a segmental basis for decision-making purposes.

	2023 R'000	2022 R'000
Non-current assets		
South Africa	1 977 939	1 986 613
Eswatini	222 641	225 906
	2 200 580	2 212 519
Revenue		
South Africa	7 600 428	7 009 756
Eswatini	286 251	245 394
	7 886 679	7 255 150

Information regarding major customers

Two customers (2022: two customers) individually contributed 10% or more of the Group's revenue arising from both regional and international sources.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 1 October 2023

1. General information

RFG Holdings Limited is a company domiciled in South Africa. These consolidated financial statements ("financial statements") as at and for the financial year ended 1 October 2023 comprise the company and its subsidiaries (together referred to as the "Group"). The main business of the Group is the manufacturing and marketing of convenience meal solutions. These include ready meals, pies and other pastry-based products, dairy products, fruit juices, fruit purees and concentrates and long life meals including jams, fruits, salads, vegetables, meat and dry packed foods. There were no major changes in the nature of the business of the Group during the year ended 1 October 2023.

The directors are responsible for the preparation and integrity of the summarised consolidated financial statements and other information contained therein and have not been audited by the external auditors. The summarised consolidated financial statements are derived from a correct extraction from the audited consolidated financial statements for the year ended 1 October 2023, and have been prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa applicable to summarised financial statements and the JSE Limited Listings Requirements. The summarised consolidated financial statements contain, as a minimum, the information required by IAS 34: Interim Financial Reporting.

The accounting policies and methods of computations applied in the preparation of the summarised consolidated financial statements comply with IFRS and are consistent with those applied in the consolidated financial statements for the year ended 2 October 2022, except as mentioned below.

Management has considered all standards, interpretations and amendments that are in issue but not yet effective. The Group intends to adopt these new and amended standards and interpretations, which are relevant to the Group, when they become effective but which are not expected to have a material impact on the Group's financial statements:

■ **Amendments to IAS 1, Classification of Liabilities as Current or Non-current**

The amendment provides a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date, and clarifies the requirements for classifying liabilities as current or non-current. The amendments are effective for annual periods beginning on or after 1 January 2024.

■ **Amendments to IAS 12, Deferred tax relating to Assets and Liabilities arising from a single transaction**

Amendments to IAS 12 Income Taxes which narrow the scope of the initial recognition exception under IAS 12, to the effect that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments are effective for annual periods beginning on or after 1 January 2023.

■ **Amendments to IAS 1 and IFRS Practice Statement 2, Disclosure of Accounting Policies**

Amendments to IAS 1 require entities to disclose their material rather than their significant accounting policies. The amendments define what is "material accounting policy information" and explain how to identify when accounting policy information is material. Amendments to IFRS Practice Statement 2 Making Materiality Judgements provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments are effective for the annual periods beginning on or after 1 January 2023.

■ **Amendments to IAS 8, Accounting policies, Changes in Accounting Estimates and Errors: definition of accounting estimates**

Amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies distinguishing between changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The amendments are effective for the annual periods beginning on or after 1 January 2023.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS for the year ended 1 October 2023 *continued*

2. Property, plant and equipment

	Opening balance R'000	Acquisition of business R'000	Additions R'000	Disposals R'000	Closing balance R'000
COST					
2023	2 788 910	–	289 985	(52 686)	3 026 209
2022	2 583 327	11 500	259 863	(65 780)	2 788 910
ACCUMULATED DEPRECIATION AND IMPAIRMENT	Opening balance R'000	Depreciation R'000	Disposals R'000	Impairment R'000	Closing balance R'000
2023	943 786	224 046	(51 294)	11 008	1 127 546
2022	809 709	189 551	(56 822)	1 348	943 786
NET ASSET VALUE				Opening balance R'000	Closing balance R'000
2023				1 845 124	1 898 663
2022				1 773 618	1 845 124

Decommissioning of redundant plant and equipment during the year amounted to an impairment loss of R11.008 million (2022: impairment loss of R1.348 million). These impairment losses were recognised in other operating costs in the summarised consolidated statement of profit or loss and other comprehensive income.

During the year, the Group contracted R76.033 million (2022: R54.855 million) for future capital commitments. This will be financed through a combination of operating cash flows and available overdraft facilities.

There has been no major change in the nature of property, plant and equipment, the policy regarding the use thereof, or the encumbrances over the property, plant and equipment.

3. Right-of-use assets

The Group leases various buildings, plant and machinery and vehicles. Rental contracts are typically entered into for fixed periods, but may sometimes have extension options. Lease terms are negotiated on an individual basis by the underlying business components and contain a range of terms and conditions. Leases of plant and machinery, office equipment and vehicles have a lease term ranging from three to twenty years (2022: nineteen years). Leases of property have a lease term ranging from two to ten years.

Set out below are the carrying amounts of right-of-use assets recognised in the statement of financial position and the movements during the year:

	Opening balance R'000	Additions R'000	Terminations R'000	Depreciation R'000	Remeasurements ¹ R'000	Closing balance R'000
2023						
Land and buildings	75 851	3 441	–	(20 256)	2 457	61 493
Plant and machinery	70 177	1 748	(197)	(26 113)	6 794	52 409
Vehicles	157	–	–	(157)	–	–
Net book value	146 185	5 189	(197)	(46 526)	9 251	113 902

3. Right-of-use assets *continued*

	Opening balance R'000	Additions R'000	Terminations R'000	Depreciation R'000	Remeasurements ¹ R'000	Closing balance R'000
2022						
Land and buildings	61 591	13 242	(15)	(15 239)	16 272	75 851
Plant and machinery	91 609	1 216	(202)	(26 146)	3 700	70 177
Vehicles	380	–	–	(223)	–	157
Net book value	153 580	14 458	(217)	(41 608)	19 972	146 185

¹ Lease remeasurements relate when the options to extend the lease terms were exercised during the year under review and the prior year.

4. Inventory

The value of the finished goods disclosed at net realisable value is R65.178 million (2022: R44.068 million).

Cost of sales consists of direct manufacturing costs and an allocation of manufacturing operating costs. Cost of sales amounted to R5 908.487 million for the year ended 1 October 2023 (2 October 2022: R5 614.361 million).

5. Revenue

The disaggregated revenue from sales contracts with customers is as follows:

	2023 R'000	2022 R'000
Regional		
Fresh products	2 264 421	2 095 228
Long life fruit products	678 889	624 011
Long life grocery products	3 056 619	2 743 300
	5 999 929	5 462 539
International		
Long life fruit products	1 856 546	1 766 136
Long life grocery products	30 204	26 475
	1 886 750	1 792 611
	7 886 679	7 255 150

The revenue categories consist of net sales of the following:

- Fresh products: Ready meals, pies, bakery and dairy products.
- Fruit products: Canned fruit and jam, fruit purees and fruit concentrates.
- Grocery products: Canned vegetables, canned meat, bottled salads & pickles, fruit juice, dry packaged foods and infant meals.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS for the year ended 1 October 2023 *continued*

6. Earnings and headline earnings per share

6.1 HEADLINE EARNINGS PER SHARE

Reconciliation between earnings attributable to owners of the parent and headline earnings:	2023 Gross ¹ R'000	Net R'000	2022 Gross ¹ R'000	Net R'000
Earnings attributable to owners of the parent		476 595		360 684
Adjustments to profit attributable to owners of the parent:				
Loss on disposal of property, plant and equipment	675	493	790	569
Impairment of property, plant and equipment	11 008	8 036	1 348	970
Impairment of intangible assets	4 466	3 260	–	–
Insurance proceeds related to property, plant and equipment	(536)	(391)	(2 138)	(1 539)
Headline earnings		487 993		360 684
Headline earnings per share (cents)		187.4		137.9

¹ Pre-tax amounts attributable to owners of the parent.

6.2 EARNINGS AND DILUTED EARNINGS PER SHARE

	2023 R'000	2022 R'000
Earnings attributable to owners of the parent	476 595	360 684
Earnings per share (cents)	183.0	137.9
Diluted earnings per share (cents)	181.6	137.3

6.3 DILUTED HEADLINE EARNINGS PER SHARE

	2023 R'000	2022 R'000
Headline earnings	487 993	360 684
Diluted headline earnings per share (cents)	185.9	137.3

6.4 WEIGHTED AVERAGE NUMBER OF SHARES IN ISSUE

	2023 R'000	2022 R'000
Weighted average number of shares in issue	262 762 018	262 762 018
Treasury shares	(2 303 658)	(1 149 171)
Weighted average number of shares in issue	260 458 360	261 612 847
Effect of share options	2 022 535	1 141 990
Weighted average number of dilutive shares in issue	262 480 895	262 754 837

7. Financial instruments

The carrying amounts of the financial assets and liabilities reported in the summarised consolidated statement of financial position approximate fair values at the reporting date, except where noted otherwise in the notes.

8. Related party transactions

The Group sold goods to Peaty Mills Plc for R454.980 million (2022: R372.721 million). Included in trade receivables are amounts due from Peaty Mills Plc for R86.814 million (2022: R69.379 million).

9. Dividend paid

On 23 January 2023 a dividend of 45.8 cents per share for the year ended 2 October 2022 (2022: 29.1 cents for the year ended 26 September 2021) was paid. The total dividend amounted to R119.8 million (2022: R76.1 million).

10. Acquisition of business

On 1 February 2022 the Group acquired the frozen foods business of Pioneer Foods Wellington Proprietary Limited for R53.7 million. The business services South Africa's top end retail market with well-known brands Today, Mama's and Big Jack.

The pie category should benefit from improved operating leverage following the consolidation of the Today pie business into the existing plants.

	2022 R'000
Assets and liabilities acquired	
Property, plant and equipment	11 500
Inventory	43 337
Employee liabilities	(1 111)
Purchase price – settled in cash	53 726

From the date of acquisition until the year ended 2 October 2022, the business contributed R147.2 million to Group revenue and an operating loss of R7.7 million to the profit before income tax of the Group. The operating loss, until the year ended 2 October 2022, includes once off costs of R25.7 million since the date of acquisition.

11. Going concern

The board of directors believes that the Group has adequate financial resources available within the Group to continue its operations for the foreseeable future and accordingly the financial statements have been prepared on the going concern basis.

12. Events subsequent to reporting date

On 17 November 2023 the board of directors declared a final gross dividend of 62.0 cents per share for the year ended 1 October 2023.

The board of directors is not aware of any other matter or circumstance of a material nature arising since the end of the year ended 1 October 2023, otherwise not dealt with in the financial statements, which significantly affects the financial position of the Group or the results of its operations.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS for the year ended 1 October 2023 continued

13. Financial year-end

The Group’s financial year ends on or about 30 September and as a result the reporting date will differ year on year. The previous reporting period included an extra trading week. The current financial statements were prepared for the 52 week year ended 1 October 2023 (2022: 53 week year ended 2 October 2022).

14. Approval of summarised consolidated financial statements

The summarised consolidated financial statements were approved by the board of directors on 17 November 2023.

15. Preparer of summarised consolidated financial statements

These summarised consolidated financial statements were prepared under the supervision of CC Schoombie CA(SA), chief financial officer.

16. Audit opinion

This summarised consolidated financial statements have not been audited or reviewed by the Group’s external auditor. The summarised consolidated financial statements have been derived from the consolidated financial statements on which the Group’s independent auditor, Ernst & Young Inc., has expressed an unmodified audit opinion.



ANALYSIS OF SHAREHOLDERS for the year ended 1 October 2023

Public and non-public shareholding	Number of holders	Percentage of holders	Number of shares	Percentage of shares
Ordinary shares				
Shareholders spread				
Public shareholders	3 238	99.5	135 070 682	51.4
Non-public shareholders	15	0.5	127 691 336	48.6
Directors of company	5	0.2	3 063 533	1.2
Former directors of company ¹	2	0.1	16 373 702	6.2
Executive management of the group	5	0.2	4 966 846	1.9
Strategic holdings				
Capitalworks Private Equity GP Proprietary Limited ^{2,3}	1	–	98 003 005	37.3
South African Investment GP Trust ⁴	1	–	2 600 292	1.0
Treasury shares	1	–	2 683 958	1.0
	3 253	100.0	262 762 018	100.0

Major beneficial shareholders holding 3% or more ordinary shares	2023 Number of shares	2023 Percentage of shares	2022 Percentage of shares
Non-public shareholders			
Capitalworks Private Equity GP Proprietary Limited ^{2,3}	98 003 005	37.3	37.3
South African Investment GP Trust ⁴	2 600 292	1.0	1.0
Bruce Henderson Trust	16 287 036	6.2	6.2
Public shareholders			
Old Mutual Limited	45 327 379	17.3	18.0
PSG Konsult Limited	22 140 439	8.4	8.4
Government Employees Pension Fund	3 668 119	1.4	8.4

¹ Directors who retired during the year.

² Includes indirect economic interest held by non-executive directors Chad Smart and Garth Willis, through discretionary trusts, of 4 117 654 and 353 012 shares respectively.

³ In its capacity as general partner of Capitalworks RFG Partnership.

⁴ In its capacity as general partner of RFG Holdings Partnership.

Major fund managers managing 2% or more ordinary shares	2023 Percentage of shares	2022 Percentage of shares
Old Mutual Investment Group (South Africa)	18.3	20.0
PSG Asset Management	8.4	8.4
Camissa Asset Management (previously Kagiso Asset Management)	4.4	2.5
Sanlam Investment Management	2.5	–
Foord Asset Management	2.3	–
Ninety One	2.0	–
<i>No longer managing 2% or more ordinary shares</i>		
Public Investment Corporation	–	7.5

NOTICE OF ANNUAL GENERAL MEETING

RFG HOLDINGS LIMITED

Incorporated in the Republic of South Africa
Registration number 2012/074392/06
Share code: RFG ISIN: ZAE000191979
("RFG" or "the company" or "the group")

If you are in any doubt as to what action you should take in respect of the following resolutions, please consult your Central Securities Depository Participant ("CSDP"), broker, banker, attorney, accountant or other professional adviser immediately.

Notice is hereby given that the eleventh Annual General Meeting of shareholders of RFG will be held (subject to any adjournment, postponement or cancellation) through electronic participation only at 09:00 on Wednesday, 13 March 2024 for the purpose of considering, and, if deemed fit, passing, with or without modification, the resolutions set out hereafter.

The board of directors of the company ("the Board") has determined that, in terms of section 62(3)(a), as read with section 59 of the Companies Act, 2008 (Act 71 of 2008), as amended ("Companies Act"), the record date for shareholders to be recorded on the securities register of the company in order to receive Notice of the Annual General Meeting is Friday, 8 December 2023.

Further the record date determined by the Board for the purpose of determining which shareholders of the company are entitled to participate in and vote at the Annual General Meeting is Friday, 8 March 2024. Accordingly, the last day to trade RFG shares in order to be recorded in the Register to be entitled to vote will be Tuesday, 5 March 2024. The Integrated Report, containing the Notice of Annual General Meeting and the summarised consolidated financial statements was distributed on 14 December 2023.

Important dates

Shareholders eligible to receive AGM notice	Friday 8 December 2023
Distribution of integrated report including Notice of Annual General Meeting	Thursday 14 December 2023
Last day to trade to be entitled to vote at Annual General Meeting	Tuesday 5 March 2024
Voting record date	Friday 8 March 2024
Electronic participation request deadline	Monday 11 March 2024
Proxy submission deadline for administrative purposes	Monday 11 March 2024
Annual General Meeting	Wednesday 13 March 2024

Agenda

Presentation of the audited annual consolidated financial statements of the company, including the reports of the directors and the audit, risk and information technology committee and the independent auditors in terms of section 30(3) of the Companies Act, together with the report of the social and ethics committee in terms of Regulation 43 of the Companies Regulations 2011 for the year ended 1 October 2023. The Integrated Annual Report, of which this Notice of Annual General Meeting forms part, contains the summarised consolidated financial statements. The annual consolidated financial statements, including the unmodified audit opinion, are available on the company's website at www.rfg.com/investor-relations, or may be requested and obtained in person, at no charge, at the registered office of the company during office hours.

1. Note

The percentage of voting rights that will be required for the adoption of each ordinary resolution is the support of more than 50% of the voting rights exercised on each such resolution. In the case of ordinary resolution number 10, the JSE Limited Listings Requirements ("Listings Requirements") prescribe a 75% majority vote for the adoption of the resolution.

1.1 ORDINARY RESOLUTION NUMBER 1 – ELECTION OF SHARRON VENESSA NAIDOO AS A DIRECTOR

To elect Sharron Venessa Naidoo who was appointed by the Board in terms of Clause 25.3.2 of the company's Memorandum of Incorporation on 1 May 2023 and who will cease to hold office at the end of the Annual General Meeting unless elected at this Annual General Meeting.

Note: The *curriculum vitae* of Sharron Venessa Naidoo is provided on page 24 of the Integrated Annual Report. The board supports the candidate's election.

NOTICE OF ANNUAL GENERAL MEETING continued

1.2 ORDINARY RESOLUTION NUMBER 2 – RE-ELECTION OF SELOMANE MAITISA AS A DIRECTOR

To re-elect Selomane Maitisa who, in terms of Article 25.6 of the company's MOI, retires by rotation at this Annual General Meeting but, being eligible to do so, offers herself for re-election.

Note: The *curriculum vitae* of Selomane Maitisa is provided on page 24 of the Integrated Annual Report. The board supports the candidate's re-election.

1.3 ORDINARY RESOLUTION NUMBER 3 – RE-ELECTION OF WILLEM PIETER HANEKOM AS A DIRECTOR

To re-elect Willem Pieter Hanekom who, in terms of Article 25.6 of the company's MOI, retires by rotation at this Annual General Meeting but, being eligible to do so, offers himself for re-election.

Note: The *curriculum vitae* of Willem Pieter Hanekom is provided on page 25 of the Integrated Annual Report. The board supports the candidate's re-election.

1.4 ORDINARY RESOLUTION NUMBER 4 – RE-ELECTION OF CHRISTIAAN CORNELIUS SCHOOMBIE AS A DIRECTOR

To re-elect Christiaan Cornelius Schoombie who, in terms of Article 25.6 of the company's MOI, retires by rotation at this Annual General Meeting but, being eligible to do so, offers himself for re-election.

Note: The *curriculum vitae* of Christiaan Cornelius Schoombie is provided on page 25 of the Integrated Annual Report. The board supports the candidate's re-election.

1.5 ORDINARY RESOLUTION NUMBER 5 – APPOINTMENT OF SHARRON VENESSA NAIDOO TO THE AUDIT, RISK AND INFORMATION TECHNOLOGY COMMITTEE

Pursuant to the requirements of section 94(2) of the Companies Act, and subject to the passing of Ordinary Resolution Number 1, to appoint Sharron Venessa Naidoo as a member of the audit, risk and information technology committee.

Note: The *curriculum vitae* of Sharron Venessa Naidoo is provided on page 24 of the Integrated Annual Report.

1.6 ORDINARY RESOLUTION NUMBER 6 – APPOINTMENT OF THABO LEEUW TO THE AUDIT, RISK AND INFORMATION TECHNOLOGY COMMITTEE

Pursuant to the requirements of section 94(2) of the Companies Act to appoint Thabo Leeuw as a member of the audit, risk and information technology committee.

Note: The *curriculum vitae* of Thabo Leeuw is provided on page 24 of the Integrated Annual Report.

1.7 ORDINARY RESOLUTION NUMBER 7 – APPOINTMENT OF SELOMANE MAITISA TO THE AUDIT, RISK AND INFORMATION TECHNOLOGY COMMITTEE

Pursuant to the requirements of section 94(2) of the Companies Act, and subject to the passing of Ordinary Resolution Number 2, to appoint Selomane Maitisa as a member of the audit, risk and information technology committee.

Note: The *curriculum vitae* of Selomane Maitisa is provided on page 24 of the Integrated Annual Report.

1.8 ORDINARY RESOLUTION NUMBER 8 – RE-APPOINTMENT OF THE INDEPENDENT REGISTERED AUDITOR

Resolved that Ernst & Young Inc. be re-appointed as the independent auditor of the company and that its remuneration for the year ending 29 September 2024 be determined by the audit, risk and information technology committee.

Explanatory note

Ordinary resolution number 8 is proposed to approve the re-appointment of Ernst & Young Inc. as the external auditor of the company for the financial year ending 29 September 2024, in accordance with section 90(1) of the Companies Act, and to authorise the audit, risk and information technology committee to determine its remuneration.

Mr L Rolleston will be the individual registered auditor who will undertake the audit for the financial year ending 29 September 2024.

The audit, risk and information technology committee and the Board, having given consideration to requirement 3.84(g) of the Listings Requirements, are satisfied that Ernst & Young Inc. meet the provisions of the Companies Act and the Listings Requirements.

1.9 ORDINARY RESOLUTION NUMBER 9 – CONTROL OF AUTHORISED BUT UNISSUED ORDINARY SHARES

Resolved that 5% (five percent) of the authorised but unissued ordinary shares in the capital of the company be and are hereby placed under the control and authority of the Board and that the Board be and is hereby authorised and empowered to allot/issue and otherwise dispose of all or any of such ordinary shares, or to issue any options in respect of all or any of such ordinary shares, to such person/s on such terms and conditions and at such times as the directors may from time to time and in their discretion deem fit, subject to the provisions of sections 38 and 41 of the Companies Act, the MOI of the company and the Listings Requirements, as amended from time to time, such authority to remain in force until the next Annual General Meeting.

1.10 ORDINARY RESOLUTION NUMBER 10 – AUTHORITY TO ISSUE ORDINARY SHARES FOR CASH

Resolved that, subject to the passing of Ordinary Resolution number 9, the Board, from time to time, be and is hereby authorised, by way of a general authority, to issue the authorised but unissued ordinary shares in the capital of the company, or to allot, issue and grant options to subscribe for the authorised but unissued ordinary shares in the capital of the company, for cash, as and when they in their sole discretion deem fit, subject to the provisions of the Companies Act, the MOI of the company and its subsidiaries and the Listings Requirements as amended from time to time.

- This general authority will be valid until the earlier of the company's next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given.
- The securities which are the subject of the general issue for cash must be of a class already in issue or, where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue.
- Any such issue may only be made to "public shareholders" as defined in the Listings Requirements and to related parties, subject to the paragraph below.
Related parties may only participate in a general issue of shares for cash through a bookbuild process provided that:
 - (i) they may only participate with a maximum bid price at which they are prepared to take-up shares or at book close price. In the event of a maximum bid price and the book closes at a higher price the relevant related party will be "out of the book" and not be allocated shares; and
 - (ii) equity securities must be allocated equitably "in the book" through the bookbuild process and the measures to be applied must be disclosed in the SENS announcement launching the bookbuild.
- The securities which are the subject of a general issue for cash may not exceed 5% (five percent) of the number of ordinary shares in the capital of the company, excluding treasury shares, as at the date of this notice of Annual General Meeting, being 13 138 101 ordinary shares of no par value. The calculation of the company's listed equity securities must be a factual assessment of the company's listed equity securities as at the date of this Notice of Annual General Meeting, excluding treasury shares. Any ordinary shares issued under this authority during the period of this authority will be deducted from the aforementioned 13 138 101 ordinary shares. In the event of a sub-division or a consolidation during the period contemplated above the authority will be adjusted to represent the same allocation ratio.
- Any such general issues are subject to any exchange control regulations and approval at that point in time.
- In determining the price at which securities may be issued in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price of such securities measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed in writing between the issuer and the party/ies subscribing for the securities.
- An announcement in accordance with paragraph 11.22 of the Listings Requirements will be published when the company has issued securities representing, on a cumulative basis within the earlier of the company's next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given, 5% (five percent) or more of the number of securities in issue prior to the issue.
- Whenever the company wishes to use repurchased shares, held as treasury shares by a subsidiary of the company, such use must comply with the Listings Requirements as if such use was a fresh issue of ordinary shares.

NOTICE OF ANNUAL GENERAL MEETING continued

1.11 ORDINARY RESOLUTION NUMBER 11 – SIGNATURE OF DOCUMENTS

Resolved that each director of the company be and is hereby individually authorised to sign all such documents and do all such things as may be necessary for or incidental to the implementation of those resolutions to be proposed at the Annual General Meeting convened to consider the resolutions which are passed, in the case of ordinary resolutions, or are passed and registered by the Companies and Intellectual Property Commission (“CIPC”), in the case of special resolutions and if applicable.

1.12 NON-BINDING ADVISORY RESOLUTION NUMBER 1 – APPROVAL OF THE REMUNERATION POLICY

Resolved by way of a non-binding advisory vote, that the remuneration policy of the company as set out in the 2023 Integrated Report be approved.

Note: In terms of King IV and the Listings Requirements, an advisory vote should be obtained from shareholders on the company’s remuneration policy. The vote allows shareholders to express their views on the remuneration policy adopted but will not be binding on the company. The remuneration policy is included in the Remuneration Report on [pages 53 to 58](#) of the Integrated Annual Report.

1.13 NON-BINDING ADVISORY RESOLUTION NUMBER 2 – APPROVAL OF THE IMPLEMENTATION REPORT

Resolved by way of a non-binding advisory vote, that the implementation report of the remuneration policy as set out in the 2023 Integrated Report be approved.

Note: In terms of King IV and the Listings Requirements, an advisory vote should be obtained from shareholders on the implementation report of the company’s remuneration policy. The vote allows shareholders to express their views on the extent of implementation of the company’s remuneration policy but will not be binding on the company. The implementation report is included in the Remuneration Report on [pages 52 to 65](#) of the Integrated Annual Report.

2. Special resolutions

To consider and if deemed fit, to pass, with or without modification, the following special resolutions. The percentage of voting rights that will be required for the adoption of each special resolution is the support of at least 75% of the voting rights exercised on the resolution.

2.1 SPECIAL RESOLUTION NUMBER 1 – NON-EXECUTIVE DIRECTORS’ FEES

To consider and if deemed fit, to pass, with or without modification, the following special resolutions. The percentage of voting rights that will be required for the adoption of each special resolution is the support of at least 75% of the voting rights exercised on the resolution.

Position	Approved fee for the year ended 1 October 2023 R	Proposed fee for the year ending 29 September 2024 R
Board		
Chairperson	860 350	1 002 000
Lead independent director	479 550	511 000
Member	383 700	396 000
Audit, Risk and Information Technology Committee		
Chairperson	207 800	242 000
Member	122 850	137 000
Remuneration Committee		
Chairperson	138 100	161 000
Member	76 800	78 000
Social and Ethics Committee		
Chairperson	134 550	143 000
Member	73 300	78 000

In respect of any extraordinary or *ad hoc* Board and/or sub-committee meetings (as requested by the Chairperson), the Board members will be compensated R10 000 per meeting.

Explanatory note

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

The non-executive director fees were benchmarked by the independent advisor to the Remuneration Committee and the fees for certain roles were found to be below the market median and some above. In order to implement the company policy to target the market median for non-executive director fees and manage remuneration in a responsible manner, the Board has proposed a phased approach to normalise the market position of the non-executive director fees by proposing fee increases of the following percentages (rounded to the nearest R1 000):

- CPI +10% in the case that the fee for a specific role is below 80% of the median,
- CPI +5% in the case that the fee is between 80% and 89% of the median,
- CPI if the fee lies between 90% and 110% of the median,
- 50% of CPI if the fee is between 110% and 120% of the median, and
- No increase if the fee is currently over 120% of the market median.
- The application of this approach in the context of the 2024 financial year means that an increase of CPI +10% is proposed for the board chairperson’s fee, the Audit, Risk and Information Technology chairperson’s fee and the Remuneration Committee chairperson and member fees, an increase of CPI +5% is proposed for the Audit, Risk and Information Technology member, an increase of 50% of CPI is proposed for the board member fee and an increase of CPI is proposed for the rest of the non-executive roles.

2.2 SPECIAL RESOLUTION NUMBER 2 – GENERAL AUTHORITY TO PURCHASE SHARES

Resolved, as a general approval by special resolution, that the company and/or any of its subsidiaries, from time to time, be and they are hereby authorised to repurchase ordinary shares of the company in terms of, and subject to, the Companies Act, the MOI of the company and its subsidiaries and the Listings Requirements, as amended from time to time.

- The repurchase of the ordinary shares must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited).
- This general authority shall only be valid until the earlier of the company’s next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date of passing of this special resolution.
- In determining the price at which the company’s ordinary shares are repurchased in terms of this general authority, the price at which such ordinary shares may be repurchased may not be greater than 10% (ten percent) above the weighted average of the market value at which such ordinary shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date on which the transaction is effected.
- At any point in time, the company may only appoint one agent to effect any repurchase/s on its behalf.
- The repurchases of ordinary shares in the aggregate in any one financial year may not exceed 10% (ten percent) of the company’s issued ordinary share capital at the beginning of the financial year.
- Any such general repurchase will be subject to the applicable provisions of the Companies Act (including sections 114 and 115 to the extent that section 48(8) is applicable in relation to that particular repurchase).
- The company may only effect the repurchase once a resolution has been passed by the Board confirming that the Board has authorised the repurchase, that the company has passed the solvency and liquidity test (“test”) and that since the test was done there have been no material changes to the financial position of the group.
- The company or its subsidiaries may not repurchase ordinary shares during a prohibited period as defined in paragraph 3.67 of the Listings Requirements unless they have in place a repurchase programme and full details of the programme (as required by the Listings Requirements) have been submitted to the JSE in writing. The company will instruct an independent third party, which makes its investment decisions in relation to the company’s securities independently of, and uninfluenced by, the company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE.

NOTICE OF ANNUAL GENERAL MEETING continued

- Any such general repurchases are subject to any exchange control regulations and approval at that point in time.
- The number of shares purchased and held by a subsidiary or subsidiaries of the company shall not exceed 10% in aggregate of the number of issued shares in the company at the relevant times.
- An announcement in accordance with paragraph 11.27 of the Listings Requirements will be published once the company has cumulatively repurchased 3% (three percent) of the number of the ordinary shares in issue at the time this general authority is granted (initial number), and for each 3% (three percent) in aggregate of the initial number repurchased thereafter.

Explanatory note

Special resolution number 2 is to grant a general authority for the company and the company's subsidiaries to repurchase the company's issued ordinary shares. There is no requirement in the Companies Act for shareholder approval unless the acquisition by the company of any particular class of securities exceeds 5% of the issued shares of that class, either alone or together with other transactions in an integrated series of transactions, per section 48(8), 115 and 116 of the Companies Act.

It is the intention of the Board to use such authority should prevailing circumstances (including tax dispensations and market conditions) in their opinion warrant it.

2.2.1. *Other disclosures in terms of paragraph 11.26 of the Listings Requirements*

The Listings Requirements require the following additional disclosures in respect of special resolution number 2, which are contained in the Integrated Annual Report to which this Notice is attached:

- Share capital of the company – page 37 of the annual financial statements.
- Major shareholders of the company – page 96.

2.2.2. *Material change*

There have been no material changes in the financial or trading position of the company and its subsidiaries between the company's financial year end and the date of this notice.

2.2.3. *Directors' responsibility statement*

The directors, whose names are given on pages 24 to 25 of the Integrated Annual Report to which this notice is attached, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 2 and certify that to the best of their knowledge and belief there are no facts in relation to special resolution number 2 that have been omitted which would make any statement in relation to special resolution number 2 false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that special resolution number 2 together with this notice contains all information required by the Listings Requirements in relation to special resolution number 2.

2.2.4. *Adequacy of working capital*

At the time that the contemplated repurchase is to take place, the Board will ensure that, after considering the effect of the maximum repurchase and for a period of 12 (twelve) months thereafter:

- the company and the group will be able to pay their debts as they become due in the ordinary course of business;
- the consolidated assets of the company and its subsidiaries, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the company and the group;
- the issued share capital and reserves of the company and its subsidiaries will be adequate for the purpose of the ordinary business of the company and the group; and
- the working capital available to the company and the group will be sufficient for the group's requirements.

2.3 SPECIAL RESOLUTION NUMBER 3 – LOANS OR OTHER FINANCIAL ASSISTANCE TO RELATED COMPANIES

Resolved that, as a special resolution, in terms of section 45 of the Companies Act, the shareholders hereby approve of the company providing, at any time and from time to time during the period of two years commencing on the date of this special resolution number 3, any direct or indirect financial assistance (which includes lending money, guaranteeing a loan or other obligation, and securing any debt or obligation) as contemplated in section 45 of the Companies Act to a related or inter-related company or corporation provided that:

- the Board from time to time, determines:
 - the specific recipient or general category of potential recipients of such financial assistance;
 - the form, nature and extent of such financial assistance;
 - the terms and conditions under which such financial assistance is provided,

and the Board may not authorise the company to provide any financial assistance pursuant to this special resolution number 3 unless the Board meets all those requirements of section 45 of the Companies Act which it is required to meet in order to authorise the company to provide such financial assistance.

Explanatory note

The reason and effect of special resolution number 3 is to grant the Board the authority to authorise the company to provide financial assistance as contemplated in section 45 of the Companies Act to a related or inter-related company or corporation.

The resolution is intended mainly to enable the company to provide inter-company loans and guarantees within the group but will also permit the Board to authorise financial assistance to related parties.

3. Other business

To transact such other business as may be transacted at the Annual General Meeting of the shareholders.

ATTENDANCE AND VOTING BY SHAREHOLDERS OR PROXIES

Shareholders who have not dematerialised their shares or who have dematerialised their shares with "own-name" registration are entitled to attend and vote at the Annual General Meeting and are entitled to appoint a proxy or proxies (for which purpose a form of proxy is attached hereto) to attend, speak and vote in their stead. The person so appointed as proxy need not be a shareholder of the company. Forms of proxy should, for administrative purposes only, be forwarded to be received (but not required) by The Meeting Specialist Proprietary Limited, JSE Building, One Exchange Square, Gwen Lane, Sandown, 2196, or posted to The Meeting Specialist Proprietary Limited, PO Box 62043, Marshalltown, 2107 or e-mailed to proxy@tmsmeetings.co.za by 09:00 on Monday, 11 March 2024 (or 48 (forty-eight) business hours before any adjournment of the Annual General Meeting which date, if necessary, will be notified on the Stock Exchange News Service). Forms of proxy must only be completed by shareholders who have not dematerialised their shares or who have dematerialised their shares with "own-name" registration.

Every person present and entitled to exercise voting rights shall be entitled to one vote, irrespective of the number of votes that person would otherwise be entitled to exercise. On a poll, every holder of ordinary shares shall be entitled to one vote per ordinary share held.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own-name" registration, should contact their CSDP or broker in the manner and time stipulated in their agreement:

- to furnish them with their voting instructions; or
- in the event that they wish to attend the Annual General Meeting, to obtain the necessary letter of representation to do so.

NOTICE OF ANNUAL GENERAL MEETING continued

ELECTRONIC PARTICIPATION

The company has deemed it appropriate to make the meeting accessible only through electronic participation, as provided for in terms of the provisions of the Companies Act and the company's memorandum of incorporation.

Shareholders or their proxies wishing to participate in this virtual Annual General Meeting should contact The Meeting Specialist ("TMS") on proxy@tmsmeetings.co.za or alternatively contact them on +27 11 520 7952/0/1 by no later than 09:00 on Monday, 11 March 2024 or 48 (forty-eight) business hours before to register to gain access to its electronic confirmation platform ("the Platform") for the purpose of enabling all of the shareholders, who are present at the Annual General Meeting, to communicate concurrently with each other, without an intermediary, and to participate reasonably effectively in the AGM and exercise their voting rights at the Annual General Meeting. TMS is obliged to validate this information with your CSDP before providing you with the necessary means to access the voting platform.

Shareholders are still able to vote normally through proxy submission, despite deciding to participate virtually or not. Shareholders are strongly encouraged to submit votes by proxy before the meeting. Shareholders will be liable for their own network charges and it will not be for the expense of RFG or TMS. Neither RFG nor TMS can be held accountable in the case of loss of network connectivity or network failure which would prevent you from voting or participating in the virtual meeting.

VOTING EXCLUSIONS

Equity securities held by a share trust or scheme, and unlisted securities, if applicable, will not have their votes taken into account at the Annual General Meeting for the purposes of resolutions proposed in terms of the Listings Requirements.

Shares held as treasury shares in terms of the Companies Act may not vote on any resolutions.

PROOF OF IDENTIFICATION REQUIRED

In terms of the Companies Act, any shareholder or proxy who intends to attend or participate at the Annual General Meeting must be able to present reasonably satisfactory identification at the meeting for such shareholder or proxy to attend and participate at the Annual General Meeting. A bar-coded identification document or card issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted at the Annual General Meeting as sufficient identification.

By order of the Board

Bernadette Lakey
Company secretary
8 December 2023

FORM OF PROXY

RFG HOLDINGS LIMITED

Incorporated in the Republic of South Africa
Registration number 2012/074392/06
Share code: RFG ISIN: ZAE000191979
("RFG" or "the company" or "the group")

For use only by ordinary shareholders who:

- hold ordinary shares in certificated form (certificated ordinary shareholders); or
- have dematerialised their ordinary shares (dematerialised ordinary shareholders) and are registered with "own-name" registration, at the eleventh Annual General Meeting of shareholders of RFG to be held through electronic participation at 09:00 on Wednesday, 13 March 2024 and any adjournment thereof.

Dematerialised ordinary shareholders holding ordinary shares other than with "own-name" registration who wish to attend the Annual General Meeting must inform their Central Securities Depository Participant (CSDP) or broker of their intention to attend the Annual General Meeting and request their CSDP or broker to issue them with the relevant letter of representation to attend the Annual General Meeting in person or by proxy and vote. If they do not wish to attend the Annual General Meeting in person or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. These ordinary shareholders must not use this form of proxy.

Name of beneficial shareholder

Name of registered shareholder

Address

Telephone work ()

Telephone home ()

Cell:

being the holder/custodian of

ordinary shares in the company, hereby appoint (see note):

1. or failing him/her,

2. or failing him/her,

3. the chairperson of the meeting,

as my/our proxy to attend and act for me/us on my/our behalf at the Annual General Meeting of the company convened for purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat (resolutions) and at each postponement or adjournment thereof and to vote for and/or against such resolutions, and/or abstain from voting, in respect of the ordinary shares in the issued share capital of the company registered in my/our name/s in accordance with the following instructions:

		Number of votes (one vote per ordinary share)		
Ordinary resolutions	Agenda item	For	Against	Abstain
Ordinary resolution 1	Election of Sharron Venessa Naidoo as a director			
Ordinary resolution 2	Re-election of Selomane Maitisa as a director			
Ordinary resolution 3	Re-election of Willem Pieter Hanekom as a director			
Ordinary resolution 4	Re-election of Christiaan Cornelius Schoombie as a director			
Ordinary resolution 5	Appointment of Sharron Venessa Naidoo to the audit, risk and information technology committee			
Ordinary resolution 6	Appointment of Thabo Leeuw to the audit, risk and information technology committee			
Ordinary resolution 7	Appointment of Selomane Maitisa to the audit, risk and information technology committee			
Ordinary resolution 8	Re-appointment of the independent registered auditor			
Ordinary resolution 9	Control of authorised but unissued ordinary shares			
Ordinary resolution 10	Authority to issue ordinary shares for cash			
Ordinary resolution 11	Signature of documents			
Non-binding advisory resolutions	Agenda item	For	Against	Abstain
Non-binding advisory resolution 1	Approval of the remuneration policy			
Non-binding advisory resolution 2	Approval of the implementation report			
Special resolutions	Agenda item	For	Against	Abstain
Special resolution 1	Non-executive directors' fees			
Special resolution 2	General authority to repurchase shares			
Special resolution 3	Loans or other financial assistance to related companies			

Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable.

A member entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend and act in his stead. A proxy so appointed need not be a member of the company.

Signed at on 2023/2024

Signature

Assisted by (if applicable)

NOTES TO FORM OF PROXY

1. Summary of Rights Contained in section 58 of the Companies Act, 2008 (Act 71 of 2008), as amended (Companies Act)
- In terms of section 58 of the Companies Act :
- a shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder;

■ a proxy may delegate his or her authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;

■ irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder;

■ irrespective of the form of instrument used to appoint a proxy, any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;

■ if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the company; and

■ a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise (see note 7).
2. The form of proxy must only be completed by shareholders who hold shares in certificated form or who are recorded on the sub-register in electronic form in "own-name".
3. Shareholders who have dematerialised their shares through a CSDP or broker without "own-name" registration and wish to attend the annual general meeting must instruct their CSDP or broker to provide them with the relevant Letter of representation to attend the annual general meeting in person or by proxy. If they do not wish to attend in person or by proxy, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. Should the CSDP or broker not have provided the company with the details of the beneficial shareholding at the specific request by the company, such shares may be disallowed to vote at the annual general meeting.
4. A shareholder entitled to attend and vote at the annual general meeting may insert the name of a proxy or the names of two alternate proxies (none of whom need be a shareholder of the company) of the shareholder's choice in the space provided, with or without deleting "the chairperson of the meeting". The person whose name stands first on this form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those proxy(ies) whose names follow. Should this space be left blank, the proxy will be exercised by the chairperson of the meeting.
5. A shareholder is entitled to one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat.
6. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholders or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
7. A vote given in terms of an instrument of proxy shall be valid in relation to the annual general meeting notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by The Meeting Specialist (Proprietary) Limited not less than 48 (forty-eight) hours before the commencement of the annual general meeting.
8. If a shareholder does not indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the annual general meeting be proposed, such proxy shall be entitled to vote as he/she thinks fit.

9. The chairperson of the annual general meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
10. A shareholder's authorisation to the proxy including the chairperson of the annual general meeting, to vote on such shareholder's behalf, shall be deemed to include the authority to vote on procedural matters at the annual general meeting.
11. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
12. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by The Meeting Specialist (Proprietary) Limited or waived by the chairperson of the annual general meeting.
13. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by The Meeting Specialist (Proprietary) Limited.
14. Where there are joint holders of ordinary shares:

■ any one holder may sign the form of proxy; and

■ the vote(s) of the senior ordinary shareholders (for that purpose seniority will be determined by the order in which the names of ordinary shareholders appear in the company's register of ordinary shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
- Forms of proxy should be lodged with or mailed to The Meeting Specialist Proprietary Limited:
- Hand deliveries to:
The Meeting Specialist
(Proprietary) Limited
JSE Building
One Exchange Square
Gwen Lane
Sandown
2196

Postal deliveries to:
The Meeting Specialist
(Proprietary) Limited
PO Box 62043
Marshalltown
2107
- or e-mailed to proxy@tmsmeetings.co.za
- to be received by no later than 09:00 on Monday, 11 March 2024 (or 48 (forty-eight) hours before any adjournment of the annual general meeting which date, if necessary, will be notified on SENS).
- A deletion of any printed matter and the completion of any blank space need not be signed or initialled. Any alteration or correction must be signed and not merely initialled.
- The completion of a form of proxy does not preclude any shareholder from attending the annual general meeting.
- General
- Set out below is additional information regarding quorum requirements and voting rights of shareholders.
- Quorum requirements
- In terms of the company's memorandum of incorporation:
- "The quorum for a shareholders' meeting to begin for a matter to be considered, shall be at least 3 (three) shareholders entitled to attend and vote and present in person. In addition:
- a shareholders' meeting may not begin until sufficient persons are present at the meeting to exercise, in aggregate, at least 25% (twenty-five percent) of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting; and

■ a matter to be decided at a shareholders' meeting may not begin to be considered unless sufficient persons are present at the meeting to exercise in aggregate, at least 25% (twenty-five percent) of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda."
- Votes of shareholders
- In terms of the company's memorandum of incorporation every shareholder present at the meeting who is entitled to vote shall be entitled to 1 (one) vote, irrespective of the number of voting rights that person would otherwise be entitled to exercise. Should the vote be conducted by poll, each shareholder present at the meeting in person or by proxy shall be entitled to vote in accordance with the voting rights associated with the securities held by that shareholder.

SHAREHOLDERS' DIARY

Annual general meeting13 March 2024

Results reporting

Interim results to March 2024on or about 22 May 2024

Annual results to September 2024on or about 20 November 2024

Ordinary share dividend

2023 dividend

Last day to trade with dividend included16 January 2024

Date of dividend payment22 January 2024

Publication of 2024 Integrated Reporton or about 13 December 2024

RFG Holdings Limited

Incorporated in the Republic of South Africa
Registration number: 2012/074392/06
Share code: RFG
ISIN: ZAE000191979

Income tax number 9348/292/17/9

Registered address Pniel Road, Groot Drakenstein, 7680
Telephone: +27 (0)21 870 4000

Postal address Private Bag X3040, Paarl, 7620

Directors

Dr YG Muthien* (Chairperson)

WP Hanekom (Chief Executive Officer)

TP Leeuw* (Lead Independent Director)

S Maitisa*

SV Naidoo*

BN Njobe*

CC Schoombie (Chief Financial Officer)

CL Smart**

GJH Willis**

* *Independent non-executive*

** *Non-executive*

Company secretary BM Lakey CA (SA)
E-mail: Bernadette.Lakey@rfg.com

Transfer secretaries Computershare Investor Services Proprietary Limited
Telephone: +27 (0)11 370 5000

Sponsor Rand Merchant Bank, a division of FirstRand Bank Limited

External auditors Ernst & Young Inc.

Investor relations consultants Tier 1 Investor Relations
Graeme Lillie
Email: ir@tier1ir.co.za

NOTES

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