

Premier

200

Growing Together Since 1824

# INTEGRATED ANNUAL REPORT

for the year ended 31 March

# 2024



# Scope and boundary

*Our 2024 integrated annual report provides insights into Premier's business model, governance processes and strategy. It evaluates our commercial, economic, social, and environmental outcomes that drive our prospects for value creation. This report should be read in conjunction with our annual financial statements, available on the Premier website at [www.premierfmcg.com](http://www.premierfmcg.com)*

## Scope and boundary

This report covers material information for the financial year ending 31 March 2024. It covers the Group's holding company and various subsidiaries, focusing on the main operations and activities that contribute to our performance. Developments post 31 March 2024 have been included where considered informative and/or necessary.

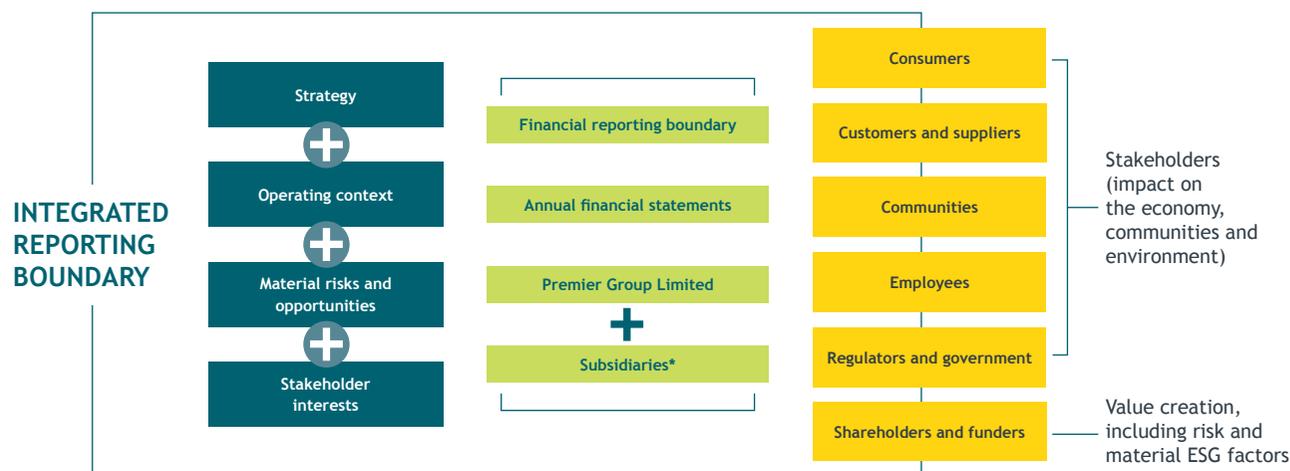
While Premier operates primarily in South Africa, this report also provides information on Group operations in Eswatini, Lesotho, Mozambique and the United Kingdom (UK). The B-BBEE assessment excludes all non-South African companies and operations.

While this report is aimed primarily at providers of financial capital (to inform and support their capital allocation decisions), it also provides disclosure on the Group's most

significant impacts on people, society and the environment. Our integrated reporting boundary covers the material risks and opportunities arising from our strategy and operating context and includes insight into the quality of our relationships with key stakeholders whose interests affect the Group's value creation. Accordingly, this report should be of interest to all stakeholders seeking to be informed about Premier's capacity to create value over time.

## MATERIALITY

The Board and executive management are confident that this report covers all qualitative and quantitative disclosures deemed material to the Group's ability to sustainably deliver value to its stakeholders. The material matters were considered and approved by the Board as part of its approval of the integrated annual report.



\* For a detailed list of subsidiaries, refer to note 43 of the consolidated annual financial statements.

## Scope and boundary continued

### Reporting frameworks

In compiling this report, Premier has applied the principles contained in the:

- International Financial Reporting Standards (IFRS);
- King IV Report on Corporate Governance™ for South Africa 2016\* (King IV);
- JSE Limited Listings Requirements (JSE Listings Requirements); and
- the Companies Act, No. 71 of 2008, as amended (Companies Act).

To the extent possible, this report adheres to the recommendations and guidelines set out in the International <IR> Framework. The Group aims to ensure full compliance with the framework as it matures as a listed entity. The sustainability report included in this report has been prepared with reference to the recommended sustainability disclosures outlined in the JSE Sustainability Disclosure Guidance issued in June 2022.

### Assurance

Premier has adopted a combined assurance model that facilitates a coordinated approach to all assurance and governance activities. Together with our risk management practices, this enables an effective control environment and supports the integrity of information used for internal decision-making and external reporting.

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Our external auditors, PricewaterhouseCoopers Inc. (PwC), issued an unmodified opinion on the annual financial statements, from which extracts have been included in this report. The audit was conducted in accordance with International Standards on Auditing. The scope of the audit was limited to the information set out in the annual financial statements and does not extend to the content of this report. Renaissance SA Rating Proprietary Limited provided external verification of our B-BBEE activities.

The rest of this integrated annual report has not been subjected to independent audit or review.

### Forward-looking statements

This report contains certain forward-looking statements based on the beliefs or expectations of Premier's directors and other members of its executive and senior management. These include statements about, amongst others, future performance and prospects. Forward-looking statements are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors. Consequently, no guarantee or assurance can be given that forward-looking statements will prove to be accurate and stakeholders are advised not to place undue reliance on them.

### Board responsibility and approval

The Board acknowledges its responsibility of ensuring the integrity of the integrated annual report which, in the Board's opinion, addresses all material matters, fairly presents the integrated performance of the Group and offers a balanced view of Premier's strategy and how it translates into value creation in the short, medium and long term.

The integrated annual report is prepared by members of executive and senior management under the oversight of the Audit and Risk Committee, mandated to ensure the integrity of the information included therein. On the recommendation of the Audit and Risk Committee, the Board approved the integrated annual report on 22 July 2024.

**I van Heerden**  
Chairman

**JJ Gertenbach**  
Chief Executive Officer

**H Ramsumer**  
Chairman of the Audit and Risk Committee

We welcome your feedback on our integrated reporting suite. Please contact us on [investor@premierfmcg.com](mailto:investor@premierfmcg.com) with any comments or queries.

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### Our reporting suite

Premier's integrated reporting suite for the year ended 31 March 2024 comprises the following set of reports which are available on our website at [www.premierfmcg.com](http://www.premierfmcg.com)



Integrated Annual Report 2024



Consolidated Annual Financial Statements



AGM Notice



King IV Register

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# 01



## Group Profile

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## What matters to us



*Growing  
Together  
since 1824*

At Premier, our dedication goes beyond business - it is about an unwavering commitment to **our purpose** to remain strategically relevant by making a positive impact on the lives of our consumers.

*Our products and people make a difference in the everyday lives of our consumers.*

Our philosophy of growing together through investment in our people and our business, as well as the communities we serve, has long been a strategic focus, enriching and empowering lives in tandem with building sustainable brand equity.

This year, Premier is proudly celebrating **200 YEARS** of building iconic brands that have stood the test of time, providing nourishing, affordable and safe products that support our deep-rooted commitment to societal well-being.



**Premier**



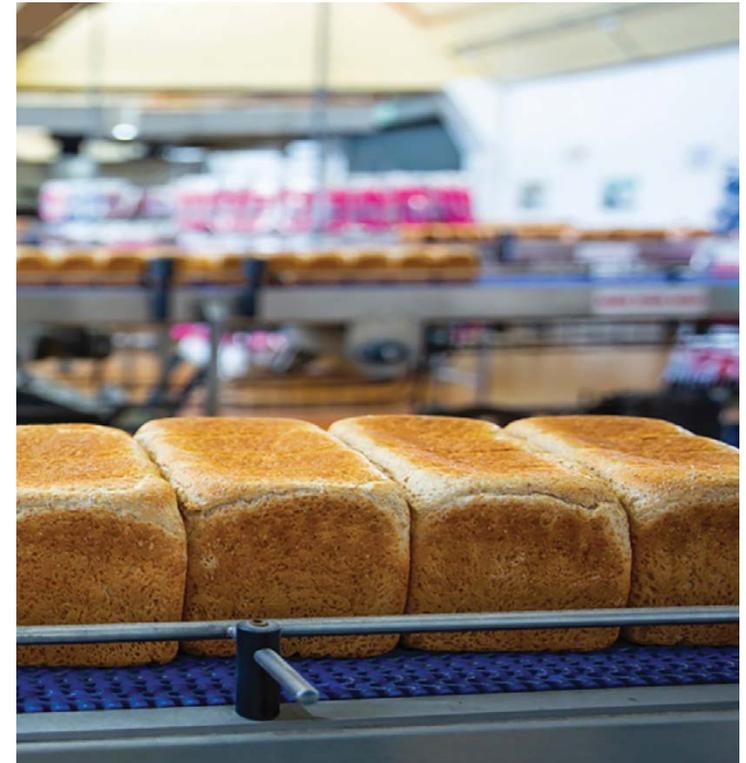
## What matters to us continued

### OUR SUSTAINABILITY VISION

Through our **sustainability vision** we recognise our responsibility to care for and protect our people, our planet and the communities we serve, whilst providing products of the highest quality. To fulfil our vision, we developed a **sustainability strategy** which is intrinsically linked to our corporate strategy and aims to embed sustainable thinking and practices throughout the organisation.

The four pillars of this strategy ensure our activities are a force for good, reducing and mitigating any potentially negative impact our operations may have on the environment, where possible, and at the same time enable us to remain competitive, build a sustainable business and create value for our stakeholders into the future.

Our strategy is aligned to several relevant **United Nations Sustainable Development Goals (UN SDGs)**, as listed below, which guide our decisions and assist us in monitoring our progress.



Earning the right to operate in our communities by being mindful of our responsibility to society and the planet.



# How we made a difference

## Our 2024 financial performance

Revenue <b>R18.6bn</b> +4%	EBITDA <b>R2.1bn</b> +19%	EBITDA margin <b>11%</b> (2023: 9.6%)	Operating profit <b>R1.6bn</b> +26%	Operating profit margin <b>8.8%</b> (2023: 7.2%)	Normalised HEPS <b>744 cps</b> +35%*
Maiden dividend <b>220 cps</b>	Cash generated from operations <b>R2.4bn</b> +55%	Voluntary debt repayment <b>R916m</b> (2023: R294m)	Group leverage ratio <b>0.9 x</b> (2023: 1.7x)	ROIC <b>22.4%</b> (2023: 19.1%)	ROE <b>30.9%</b> (2023: 31.5%)

## Our communities

Unwavering commitment to our purpose focused on “Earning the right to operate in our communities”

Product donations of **R53 million** to alleviate hunger, provide disaster relief and improve menstrual hygiene

**c.29 million** meals donated to communities in need

**>320 000** sanitary pad donations enabling young girls to attend school during the week of their period

**785** early learning centres upgraded to date

## Our consumers

Contributing to food security by providing a wide range of affordable, quality staple food product options nationwide

**40** trusted brands and **>200** private label SKUs across **5** categories



**27%** market share in bread - South Africa's 3rd largest food category\*\*

Innovative pack sizes offering a variety of options for **price conscious** consumers



\* Prior year normalised headline earnings per share (HEPS) were reduced for foreign exchange gains on cash and loans of a funding nature of R60 million and by the reversal of accrued withholding tax on preference dividends of R43 million to profit on the conversion of the redeemable preference shares to ordinary shares. These items were once-off items that were included in the prior year net profit.

\*\* DataOrbis as at 31 March 2024 (trade desk 12-month average by sales value).

## How we made a difference continued

### Our employees

**8 628** permanent and contracted employees (2023: 8 271)

**R26 million** spent on training and development (2023: R22 million)

**3 438** training attendances (2023: 3 016)

**R2.4 billion** salaries, wages and benefits paid (2023: R2.1 billion)

Roll out of **diversity, equity, inclusivity** and **belonging** culture workshops

### Our investors and funders

Voluntary capital repayment of **R916 million** of debt (2023: R294 million)

Net finance costs paid of **R370 million** (2023: R336 million)

ROIC increased by **330 bps to 22.4%**

Maiden dividend declared of **220 cps**

Cash generated from operations of **R2.4 billion** (2023: R1.5 billion)

### Our planet

**1 232 MWh** of renewable energy produced by solar installations at sites

**96%** of all packaging materials recyclable

**99%** of total **waste recycled**

Saved **18 000** trees and **9 million m<sup>3</sup>** of landfill space through waste initiatives

### Our suppliers

**Enterprise Supplier Development** in bakery distribution

empowering **78 entrepreneurs** and creating **128 jobs**

### Government

**R326 million** paid in income tax (2023: R172 million)

Collaborative relationship building with **government** at local, provincial and national levels



# Premier at a glance

Premier is a leading South African JSE-listed consumer packaged goods (CPG) company, with a proud history dating back 200 years.

Premier's market-leading, trusted brands have earned it a place in the hearts of South Africans. Premier's offering has grown from traditional staple milling and baking products into a diversified portfolio including confectionery and home and personal care (HPC) products complemented by significant private label partnerships.

Premier's growth has been achieved both organically as well as through strategic acquisitions that have been integrated into the business operationally and culturally through the Premier Way, paving the way for purpose-led sustainable growth for all its stakeholders.



## Creating value through two operating divisions

### MILLBAKE

**2024 REVENUE**  
**R15.5bn**  
 (2023: R15.0bn)

**% OF REVENUE**  
**84%**  
 (2023: 83%)



### GROCERIES AND INTERNATIONAL

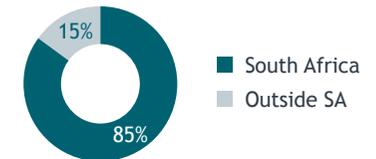
**2024 REVENUE**  
**R3.1bn**  
 (2023: R3.0bn)

**% OF REVENUE**  
**16%**  
 (2023: 17%)



Outside South Africa, we have manufacturing facilities in three countries in the Southern African Development Community (SADC) - Mozambique, Eswatini and Lesotho and an HPC sales office in the UK.

We export 14 of our brands from South Africa to 41 countries worldwide.



# Premier at a glance continued

## MILLBAKE

### BAKING CATEGORY



Products manufactured in the baking category comprise our primary bread products, as well as a range of muffins, cakes and buns.



### MILLING CATEGORY



Products manufactured in the milling category comprise our market-leading flour products, maize meal, maize rice, samp, instant porridge and maize-based and multigrain beverages.

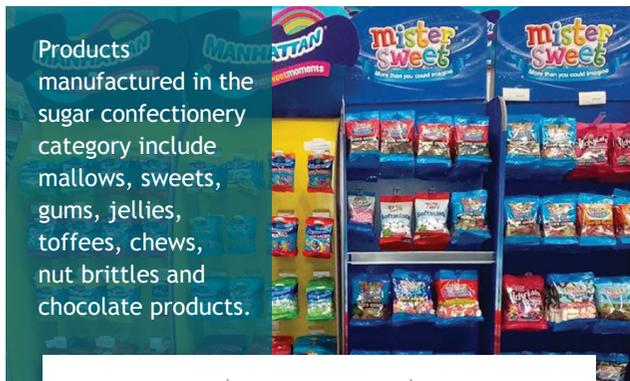


\* DataOrbis as at 31 March 2024 (trade desk 12-month average by sales value).

# Premier at a glance continued

## GROCERIES AND INTERNATIONAL

### CONFECTIONERY



Products manufactured in the sugar confectionery category include mallows, sweets, gums, jellies, toffees, chews, nut brittles and chocolate products.



### HOME AND PERSONAL CARE



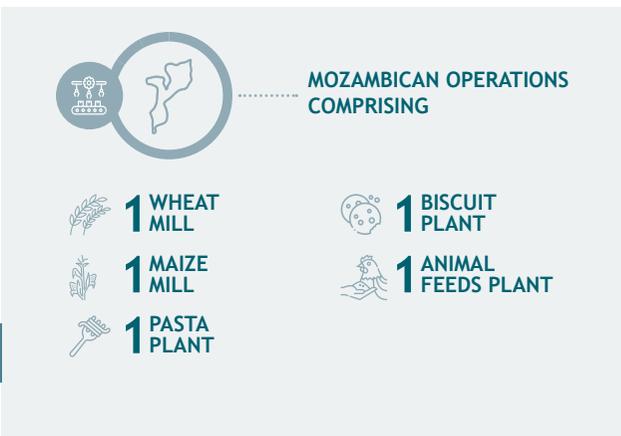
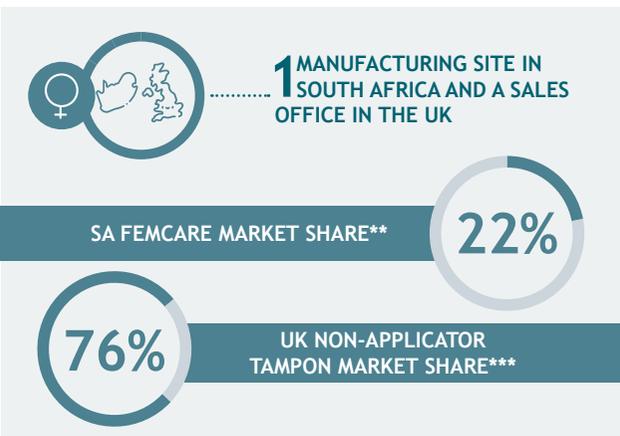
Products manufactured and distributed by the HPC team include feminine care and general care products.



### CIM



Products manufactured in the CIM facilities include wheat, flour, maize meal, pasta, biscuits and animal feed.



\* DataOrbis as at 31 March 2024 (trade desk 12-month average by sales value for Premier's defined segments being gums & jellies, mallows, chews, compressed & boiled candies/lollies, toffees and liquorice).

\*\* DataOrbis as at 31 March 2024 (trade desk 12-month average by sales value of the combined Femcare and Cotton Wool segments).

\*\*\* Unify value share data for 52 weeks ending 13th April 2024.

## Premier at a glance continued

Our state-of-the-art manufacturing and distribution sites have production and distribution capabilities enabling our extensive countrywide reach

Employing  
**>8 600**  
permanent and  
contracted employees

**>1m**  
tonnes of wheat

**680k**  
tonnes of maize

**835m**  
loaves of bread

**382m**  
HPC sticks

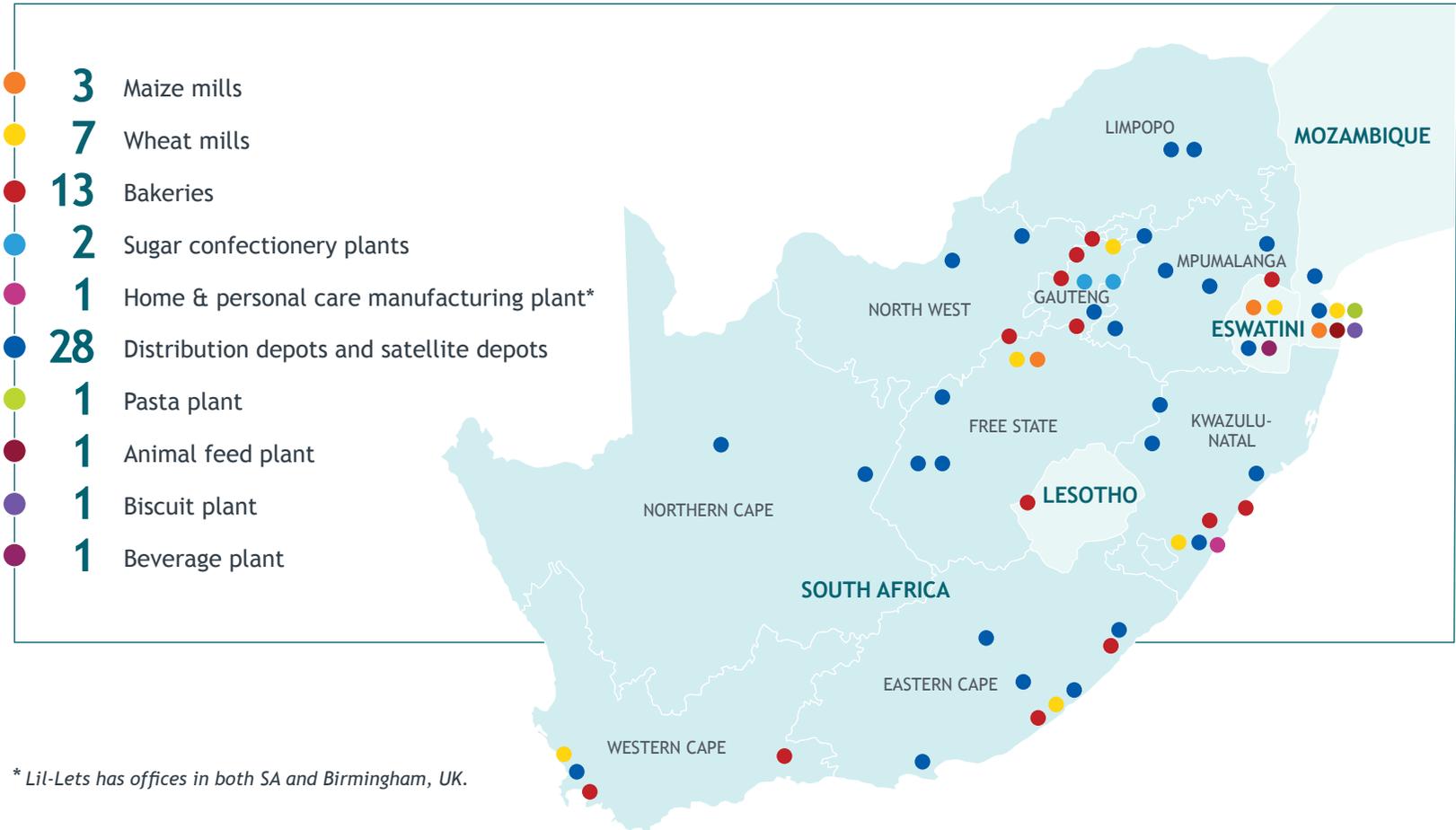
**42k**  
tonnes of sugar-based  
confectionery

Producing and  
marketing  
**40**  
brands

Covering  
**>1 000**  
routes reaching  
**>50 000**  
customers per day

Using a  
distribution fleet  
of  
**>1 300**  
owned and  
third-party  
trucks

- 3 Maize mills
- 7 Wheat mills
- 13 Bakeries
- 2 Sugar confectionery plants
- 1 Home & personal care manufacturing plant\*
- 28 Distribution depots and satellite depots
- 1 Pasta plant
- 1 Animal feed plant
- 1 Biscuit plant
- 1 Beverage plant

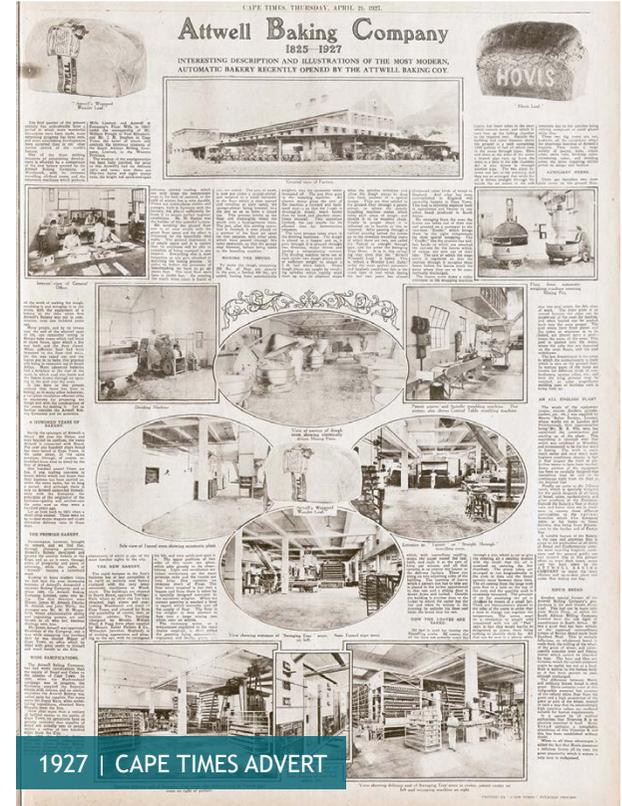
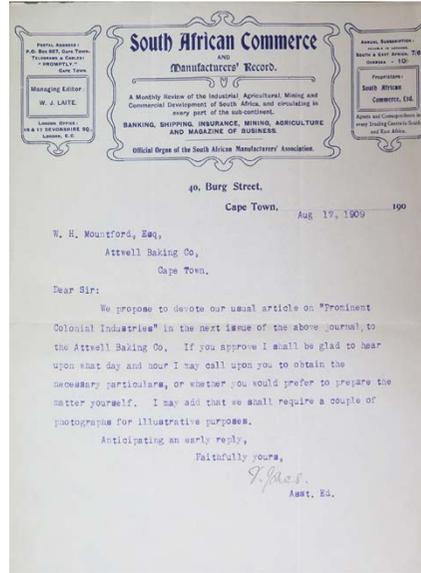


\* Lil-Lets has offices in both SA and Birmingham, UK.

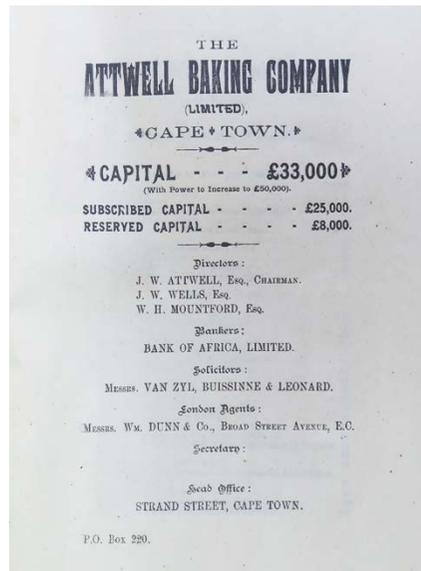
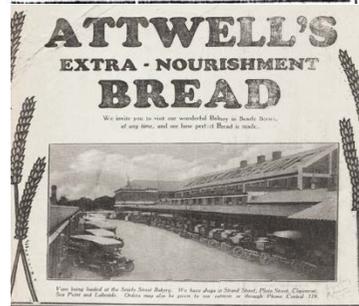
# Our 200 year history

In 2024, Premier proudly celebrates its 200-year birthday.

This two centuries old history has humble beginnings in the early 1800s in South Africa's Cape province. Premier's state-of-the-art infrastructure today is the product of the legacy of capital investments committed into several founding businesses across South Africa over the two past centuries.



**T**HE Undersigned begs to inform his Friends, and the Public in general, that on Monday the 6th instant he will commence Business at No. 46, Strand-street, as Bread and Biscuit Baker, in all their Branches;—and on the following Monday, as Pastry Cook and Confectioner; and hopes by strict attention and punctuality, to merit their patronage and support.  
Cape Town, 1st July, 1824.  
A. D. TAYLOR.  
Hot Rolls every Morning from 8 till 9 o'Clock; Muffins and Crumpets every Afternoon.



1825 | CAPE TIMES ADVERT

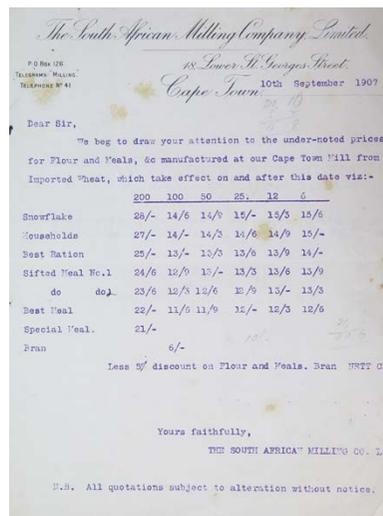
It all began in July 1824 when AD Taylor opened the doors of a bakery which subsequently would become the well-known Attwell Bakery in 1825.

A newspaper article shown here celebrates the centenary of Attwell Bakery, considered the first modern bakery to be established in the Cape, producing bread using the original Hovis process. This state-of-the-art bakery set the scene for future baking infrastructure investment in South Africa.

## Our 200 year history continued



1852 | BAUMANN'S BREAD & BISCUITS



### 1852

In 1852, Baumann's Bread and Biscuits, now trading as **BB Bakeries**, the oldest of the Premier brands, was registered in Port Natal, now eThekweni in KwaZulu-Natal.

### 1884

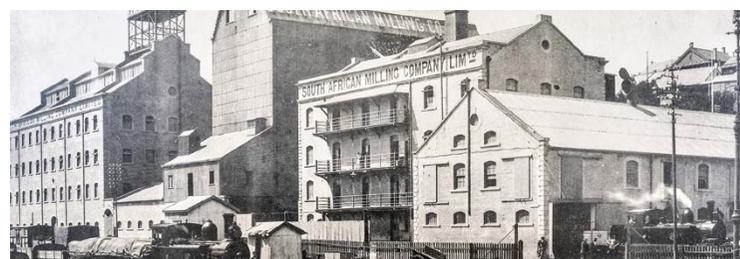
In 1884, flour mills in Port Elizabeth producing **Snowflake** flour were erected by the **Port Elizabeth Steam Mill Company** and the Snowflake brand was registered. The first Snowflake advertisements appeared advertising Premier's second oldest brand.

### 1891

In 1891, Attwell's Bakery and the Port Elizabeth Steam Mill Company merged to form **SA Milling** and the growth story began to gain momentum.

### 1900s

SA Milling's expansion journey continued during the South African War in the early 1900s, with the conversion of the original Port Elizabeth mill to produce maize meal and samp and an entirely new wheat flour mill was erected. In 1923, a new mill, standing 50 metres tall, was built in Salt River, Cape Town for \$100 000, a price considered astronomical at the time. SA Milling expanded further and later moved its head office to a newly built Snowflake mill in Johannesburg in 1959.



1900 | PORT ELIZABETH MILL

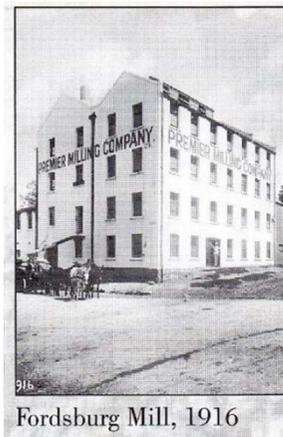
# Our 200 year history continued



1916 | NEWTOWN MILL



1910 | GERMISTON MILL



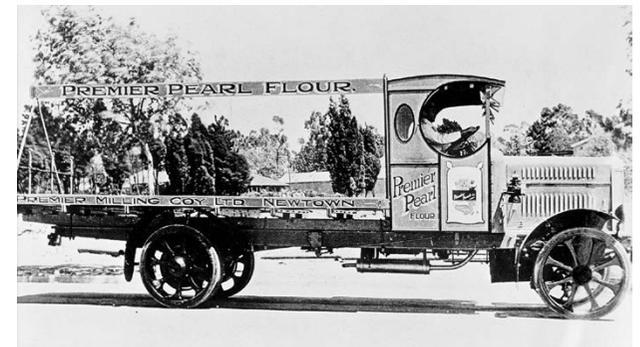
Fordsburg Mill, 1916



1916 | NEWTOWN MILL

## 1900s

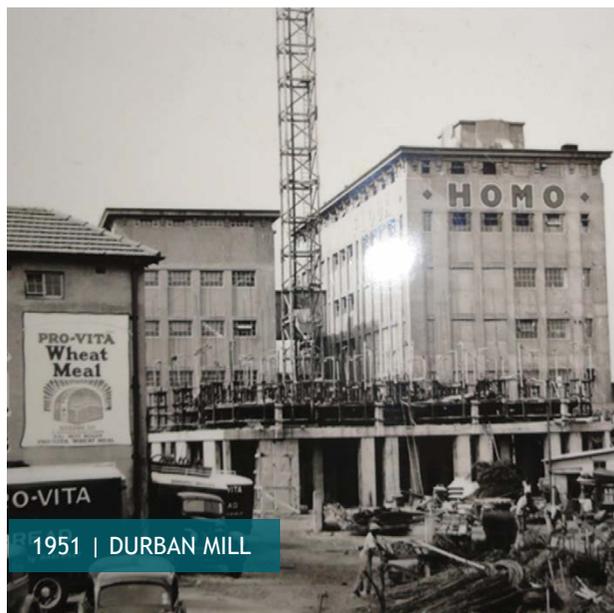
At the same time, around the turn of the century, a group trading as **Marks Limited** commenced building a maize mill in Newtown, Johannesburg, which was commissioned in 1910. Marks Limited together with **Premier Roller Flour Mills**, a maize milling company, merged in 1913 to become **Premier Milling**, owning maize mills in Newtown, Fordsburg and Germiston. Growing organically, as well as investing in several acquisitions in the milling industry countrywide, Premier Milling went on to list on the JSE in 1929.



# Our 200 year history continued



1929 | CAPE TOWN MILL



1951 | DURBAN MILL

## 1900s

Premier Milling continued to expand, concluding acquisitions in Johannesburg, Durban and Cape Town, building and equipping mills in Vereeniging, Newtown, Springs and Kroonstad. The Vereeniging mill was the first mill to be equipped with mechanised handling facilities for bulk intake and maize storage.

In the early 1950s, the Durban Bakery and Wheat Mill was built. Around the same time in 1952, the Kroonstad maize mill was built, which is today the largest maize mill in the Southern hemisphere.

During 1963 and 1964, Premier Milling and SA Milling were acquired independently by Associated British Foods (ABF) and merged to become Premier Milling.



1952 | KROONSTAD MILL OPENS

## Our 200 year history continued



1955 | ISANDO



1978 | THABA NCHU



1986 | PINETOWN



1986 | PINETOWN



1987 | VEREENIGING



1994 | PRETORIA

### 1900s

Over the succeeding years, Premier enjoyed many highs and lows, listing as **Premier Food Industries Limited** on the JSE in 1984. Investing in infrastructure remained a core focus of the Group and several new sites were built.

The Pinetown Bakery, built originally in 1986 and refurbished in 2017, remains one of the few bakeries in the country that is situated within a residential area.

Premier subsequently delisted and unbundled in 2005. In 2011, **Brait** became a long-term shareholder, investing in Premier after it underwent a management buy-out from **FABCOS** in 2007.

# Our 200 year history continued



2014 | PREMIER WATERFALL

“Premier heads into its 3rd century with extraordinary people and world class facilities making a difference in the everyday lives of its consumers.”

*Kobus Gertenbach*

## 2000s

Brait continues to partner with Premier on its strategic transformation journey, diversifying from traditional staple foods and growing into one of the leading CPG companies in South Africa that we know today.



2015 | DURBAN



2016 | KROONSTAD



2016 | POTCHEFSTROOM



2017 | EAST LONDON



2021 | CAPE TOWN



2021 | TUNNEY



2022 | HPC DURBAN



2022 | ESWATINI



2022 | PRETORIA



2022 | PRETORIA



2023 | LORDSVIEW



2023 | VEREENIGING



2023 | CIM

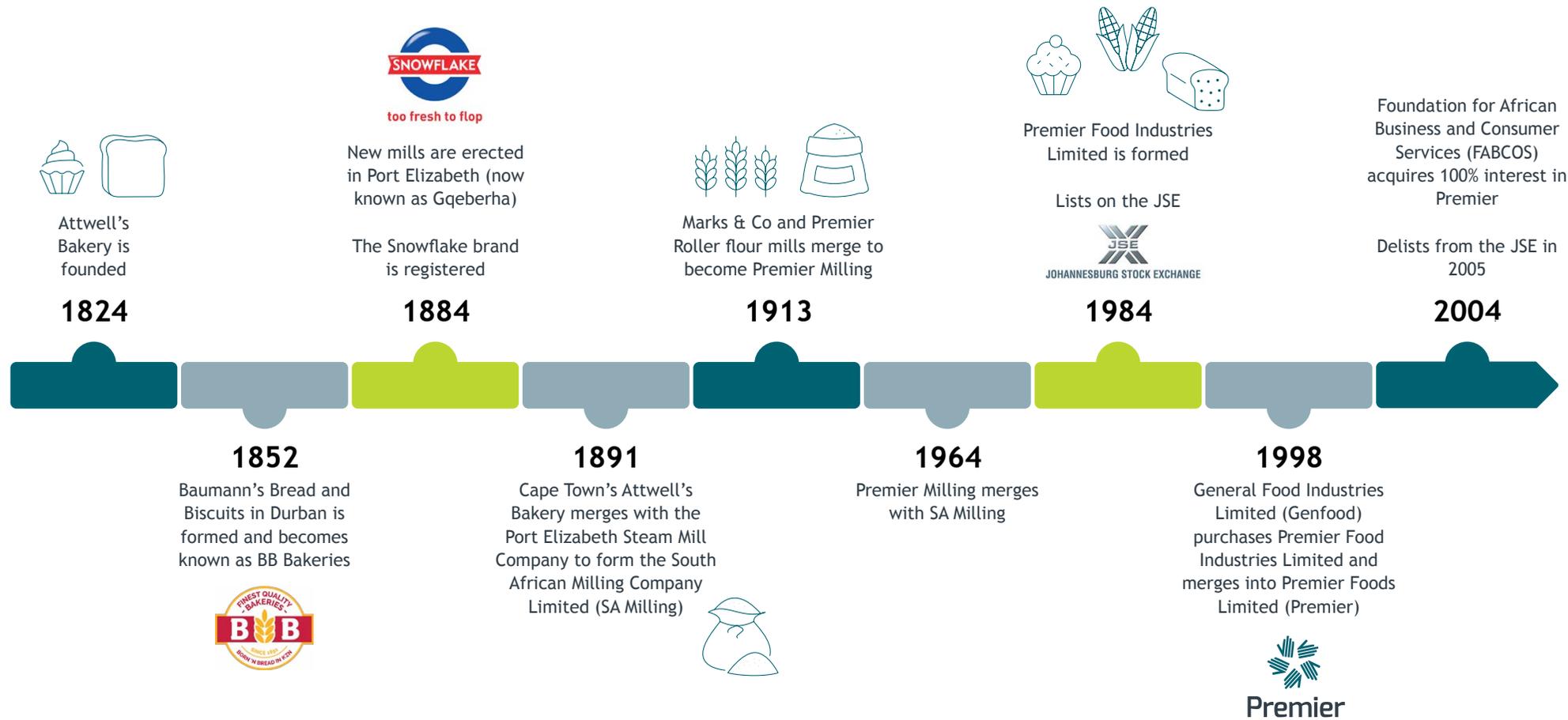


2024 | GEORGE



2024 | CIM

# Our history



# Our history continued

International investment group, Brait Mauritius Limited (Brait), acquires a majority stake in Premier

2011



The growth strategy is entrenched in 2013 with the acquisition of several businesses including: Star and Mister Bread in the Eastern Cape, Manhattan confectionery and Lil-Lets (SA and UK)

2013

Acquires La Femme, a Durban based business that manufactures tampons for Lil-Lets in South Africa.

Premier expands African footprint with the acquisition of CIM, a leading food producing company in Mozambique with a diversified product range, comprising wheat flour, maize meal, pasta, biscuits and animal feeds

2015



Premier acquires 100% of the shares in issue in Eswatini Mahewu. Its primary focus is on the production and distribution of Mahewu in Eswatini and the SADC region

2019

Premier acquires Outeniqua bakery, a regional bakery based in George in the South Western Cape

2022

Acquires 30% of Goldkeys International (Pty) Ltd, one of the largest rice importers into SA, based in KwaZulu-Natal

2024

2012

Premier enters Eswatini through the acquisition of a controlling stake in Mister Bread and S.U.B bakeries



2014

Acquires Ngwane Mills, the largest wheat and maize miller in Eswatini, to supply and complement Premier Swazi Bakeries' operations



2018

Premier enters the beverages category with the acquisition of a 60% shareholding in Eswatini Mahewu, based in Eswatini

60%

2021

Premier acquires Mister Sweet, a sugar-based confectionery business



2023

Premier Group Limited lists on the JSE

Acquires a 35% stake in a UK-based niche skin care treatment range under the brand Science of Skin

Premier celebrates its 200th birthday



# Our brand portfolio



Premier's extensive brand portfolio comprises a diversified mix of 40 trusted, market-leading consumer brands appealing to the broader market and complemented by a strategic private label offering of over 200 SKUs across five categories.

The consumer-facing brands have touchpoints across the entire shopper journey. They are actively engaged in community and sustainability initiatives, helping to build and retain brand equity. Premier's main focus is on easy-to-consume, value-for-money staple foods. Known and trusted national and regional brands in the bread, maize, wheat, samp and pasta categories offer consumers a wide range of nourishing products to choose from. Outside of the core staple food range, Premier produces a balanced portfolio of margin enhancing products in sugar confectionery, home and personal care, and in the breakfast, biscuit, rice, mageu, animal feed and baked goods categories. Premier's growth strategy of continuing to grow market share, particularly in under-represented areas, will ensure continued investment and improvement in our brands. We aim to enhance the consumer experience, meet their changing needs and take opportunities to widen our product offering across all categories.



# 02



## Our Governance

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# Chairman's review



Jaan van Heerden

## Market capitalisation

# R7.9bn

## Level 4

# B-BBEE

CONTRIBUTOR

## CSI donations

# R53m

*Our human capital, leadership skills and investment in people has driven our capacity to leverage our facilities, make them come to life and operate at their most efficient level.*

I am privileged to have assumed the Chairmanship of Premier during the year in which the Company is celebrating its 200th anniversary since Attwell's Bakery was founded. We have also completed the first year of our re-listing on the JSE after more than two decades in private hands. In the centuries since Premier was founded, the business has built a legacy of delivering quality products to our customers and earning the right to operate in the communities we serve. We take this responsibility seriously, not just as a custodian of our heritage brands, but also as an integral part of the ecosystem that produces food for our nation.

The past year was challenging with increasing geopolitical tension and conflicts. Economic challenges, with sustained inflation across the globe, have put pressure on spending and investment. South Africa was not shielded from such challenges and local businesses had to deal with, amongst other concerns, electricity, water and infrastructure challenges, the lack of service delivery in key metros, currency and commodity price volatility and uncertainty brought about by a national election.

Through hard work, dedication and perseverance, Premier successfully navigated the various challenges confronting us. Premier maintained an unrelenting focus on operational efficiencies, margin management through upskilling our people and investing in capital improvement projects.

*We ascribe our success to the business culture and strategy of “being brilliant at the basics” and “earning the right to operate in our communities” by being mindful of our responsibility to society and the planet.*

Premier has a highly skilled, experienced and talented management team, committed and innovative employees, a well-invested capital and operational base, and strong heritage brands. The business represents an extremely attractive investment opportunity, with consistently strong financial and operational performance and a scalable platform with significant reach into both the informal and formal markets.

## Chairman's review continued

We are extremely proud of the Group's 19% growth in EBITDA and 26% increase in operating profit, which allowed us to declare a maiden dividend of 220 cents per share (cps) to shareholders. The Group generated R2.4 billion cash from operations, which represents a 55% increase from last year.

Looking ahead, we are confident that Premier will sustain the robust financial and operational performance and, importantly, growth in terms of our ambition to be the leading CPG supplier in Southern Africa. The Group's operations are underpinned by R6 billion worth of capital investment, that has been made since 2011, and a further R1.4 billion investment is planned for the next two year period.

***The Premier Board and management team is committed to pursuing growth opportunities, but will remain disciplined in our deployment of capital into profitable, organic and bolt on opportunities that will maximise shareholder value. To this end, Premier achieved a 22.4% return on invested capital and a 30.9% return on equity during the financial year. These metrics are important to us and will be protected at all costs.***

Premier recently announced the acquisition of a substantial stake in Goldkeys, a leading rice importer, packager, manufacturer and distributor. The acquisition will strengthen Premier's presence in the staple food market and leverage substitution trends between maize, bread and rice.

Premier will continue to seek opportunities to expand its product portfolio in its pursuit to create shareholder value.

As a business we are buoyed by the post-election optimism, and we look forward to the new government of national unity tackling the challenges of unemployment, local service delivery and infrastructure development. Premier will continue to play its part and will work collaboratively with regulators as well as local and national government.

We are fortunate to have an experienced and diverse Board of directors with complementary expertise working well together to provide oversight and guidance to the business. I am delighted to welcome Daan Ferreira as an independent non-executive director to the Board. Daan has held numerous financial and executive roles and has already provided valuable insights and input during his short tenure. We look forward to his continued contribution to the business. I would like to thank my fellow Board members for their valued contribution to Premier during the past year.

Lastly and most importantly, I would like to express our sincere appreciation, on behalf of the entire Premier team, to our customers for trusting us and giving Premier the opportunity to contribute to their communities and daily lives. Together we will continue on our centuries old journey serving our communities and broadening our footprint in the CPG market.

**I van Heerden**  
Chairman of the Board



# Who leads us

## Our Board



### Iaan van Heerden (52)

*Non-executive Chairman*

*BLC, LLB, LLM, H-Dip International Tax*

Date of appointment: 5 September 2023  
(joined Premier Board on 22 June 2021)

Tenure: 3 years

Other listed directorships:

Invicta Holdings Limited

Experience:

Iaan is a commercial lawyer by training and has more than 20 years' relevant experience (specifically in banking, mergers and acquisition, finance, corporate law and regulatory matters). He practiced as an attorney, notary and conveyancer for a number of years post qualification, whereafter he joined Arthur Andersen in 1999. He remained with KPMG for five years after its merger with Arthur Andersen, advising many JSE Top-40 and multi-national clients and headed up the Johannesburg Corporate Tax business until his resignation in 2007. Iaan then joined Rand Merchant Bank's Corporate Finance division as a senior executive. As part of the team, Iaan originated, structured and executed several landmark merger and acquisition transactions. Iaan was appointed as an Investment Banking Director at RMB in 2015 and served in that capacity until his resignation in 2019. During this time, Iaan advised clients across a wide range of industries. He has deep technical skills and understands the governance, regulatory and statutory environment in which listed companies operate.



### Faith Khanyile (57)

*Lead Independent Director*

*BA Economics (Honours); MBA Finance, H-Dip Tax*

Date of appointment: 5 September 2023  
(joined Premier Board on 1 November 2022)

Tenure: 2 years

Other listed directorships:

Discovery Limited, Bidvest Group Limited and the JSE Limited

Experience:

Faith has been serving on the boards of publicly (JSE) listed, private companies, SMEs and not-for-profit companies over the past 20 years in the following sectors: financial services (insurance, corporate and investment banking), mining and energy, business services, property (REIT), manufacturing, retail and education. She has also served on the following board sub-committees: Audit and Risk, Social and Ethics, Remuneration and Nominations and Investment committees. She is a member of the Gender Based Violence Fund, a not-for-profit fund formed by the private sector, with support from the South African President, to raise funds to fight the gender-based violence scourge in South Africa. Faith is passionate about driving inclusive economic growth and women empowerment.



### Kobus Gertenbach (52)

*Chief Executive Officer*

*BCompt (Honours); MCom; CA(SA)*

Date of appointment: 1 April 2021  
(joined Premier on 1 May 2011)

Tenure: 13 years

Other listed directorships:

Nil

Experience:

Kobus joined Premier in 2011 with more than 20 years' experience in the financial industry. Prior to joining Premier, Kobus spent six years in the investment team at Brait and seven years in restructuring, turnaround and consulting in the USA.



### Fritz Grobbelaar (46)

*Chief Financial Officer*

*BCompt (Honours); CA(SA)*

Date of appointment: 2 August 2021

Tenure: 3 years

Other listed directorships:

Nil

Experience:

Fritz has over 20 years' experience in senior financial roles across various industries including manufacturing and agri-processing. Prior to joining Premier, Fritz spent six years as the Chief Financial Officer of Country Bird Holdings and the Commercial Director at RCL for Rainbow Chickens and Epol Feeds. Fritz leads the finance, IT, legal, business intelligence, procurement and logistics functions at Premier.



### Daan Ferreira (67)

*Independent Non-executive Director*

*BComm (Honours); BCompt; CA(SA)*

Date of appointment: 12 December 2023

Tenure: <1 year

Other listed directorships:

Nil

Experience:

Daan has held numerous financial and executive roles where he gained extensive experience in operational and financial management, group accounting and tax matters. He joined Astral Foods Limited as Group Financial Manager in 2001 where he was instrumental, amongst others, in setting up group reporting structures for financial management and statutory reporting, group tax matters and establishing internal financial policies. In May 2009, he was appointed Chief Financial Officer of Astral, a position he occupied until his retirement in February 2023.

■ Remuneration and Nomination Committee

■ Social and Ethics Committee

■ Audit and Risk Committee

## Who leads us continued

### Our Board



**Jonathan Matthews (49)**

*Non-executive Director*

*BBusSci Finance (Honours); CA(SA); CFA*

Date of appointment: 11 March 2020

Tenure: 4 years

Other listed directorships:

Nil

**Experience:**

Jonathan is currently a Partner and a member of the Private Markets investment team at TRG. He has over 16 years private equity and corporate finance experience, gained at Actis, The Standard Bank of South Africa Limited and Dresdner Kleinwort Wasserstein in London. Jonathan has been involved in a number of different businesses in South Africa and on the rest of the African continent, across a range of sectors, including consumer, logistics, financial services and industrials. Prior to joining TRG in April 2023, Jonathan sat on the Ethos Executive Committee and was the Managing Partner for Ethos Africa, the pan-African strategy for Ethos Private Equity, which was acquired by TRG.



**Harish Ramsumer (63)**

*Independent Non-executive Director*

*BComm; PGDip Accounting; CA(SA)*

Date of appointment: 9 May 2022

Tenure: 2 years

Other listed directorships:

Mr Price Group Limited

**Experience:**

Harish is an experienced business executive with 33 years of experience in auditing and as an Assurance Partner for listed, multinational and privately owned entities. He managed the PwC Assurance practice in KZN for eight years with a successful record of driving business development, growing the PwC (KZN) practice year-on-year, across a variety of different industry sectors and managing a team of over 300 partners and staff. The Assurance division included external audit, risk advisory services, IT audit, finance and accounting and tax compliance. Harish has industry experience in FMCG, private healthcare, automotive, freight and logistics and complex manufacturing entities. He was appointed a member of the PwC Africa Assurance Exco and the PwC Africa Assurance Strategic Committee. He also served on the PwC Southern Africa Governing Board. Harish is a member of the SAICA National Council and the Eastern Region.



**Wandile Sihlobo (33)**

*Independent Non-executive Director*

*BSc Agricultural Economics; MSc Agricultural Economics*

Date of appointment: 22 June 2021

Tenure: 3 years

Other listed directorships:

Nil

**Experience:**

Wandile is the Chief Economist of the Agricultural Business Chamber of South Africa and the author of "A Country of Two Agricultures: The Disparities, the Challenges, the Solutions" and "Finding Common Ground: Land, Equity, and Agriculture". He is a Senior Lecturer Extraordinary at the Department of Agricultural Economics at Stellenbosch University. Wandile was appointed as a member of President Cyril Ramaphosa's Presidential Economic Advisory Council in 2019 (and re-appointed in 2022), having served on the Presidential Expert Advisory Panel on Land Reform and Agriculture from 2018. He is also a member of the Council of Statistics of South Africa and a Commissioner at the International Trade Administration Commission of South Africa. Wandile is also a Trustee at Stellenbosch Trust, and a Board member at the Bureau for Food and Agricultural Policy, Grabouw Development Agency, and Seriti Institute.



**Peter Hayward-Butt (52)**

*Alternate Director*

*BSc Agricultural Economics; MSc Development and Agricultural Economics*

Date of appointment: 11 November 2022 (joined Premier on 11 March 2020)

Tenure: 4 years

Other listed directorships:

Nil

**Experience:**

Prior to joining TRG in April 2023, Peter was Partner: Head of Strategic Projects for Ethos Private Equity and the CEO of both Brait and Ethos Capital. He was a member of the Executive Committee and served on all investment committees for Ethos. Prior to joining Ethos in July 2015, he was the Co-head of Investment Banking at Rand Merchant Bank. Peter was responsible for the conceptualisation and establishment of RMB Morgan Stanley which has become the leading stock broking business in South Africa. Peter was lead advisor on many of South Africa's largest mergers and acquisitions and equity capital transactions. He was a member of the Executive Management Board at RMB and was a member of the bank's Investment Committee. Prior to joining RMB, Peter was head of Mergers and Acquisitions Advisory for ABN AMRO Asia.

### Former directors in FY2024:



**Corrie Roodt (65)**

*Non-executive Chairman*

*Resigned 5 September 2023*

*Independent Non-executive Director*

*Resigned as Independent Non-executive Chair with effect from 5 September 2023 and from the Board with effect from 31 January 2024.*

**Rolf Hartmann (50)**

*Non-executive Director*

*Resigned 5 September 2023*

■ Remuneration and Nomination Committee

■ Social and Ethics Committee

■ Audit and Risk Committee

## Who leads us continued

### Board of directors

#### CHANGES TO BOARD COMPOSITION IN FY2024

Over the past few years and more particularly in preparation for and following the Company's listing, the Board has undertaken significant efforts to better align its composition to the strategic objectives on which we expect to focus going forward, to fill identified skills gaps and to bring new perspectives to the Board.

During FY2024, the Board appointed Daan Ferreira as an independent non-executive director and accepted the resignations of Corrie Roodt and Rolf Hartmann. Iaan van Heerden, a non-executive director, succeeded Corrie Roodt as Chairman of the Board and Faith Khanyile was appointed as Lead Independent Director. Peter Hayward-Butt resigned as an alternate director to Rolf Hartmann and was appointed as an alternate director to Jonathan Matthews on the same date.

While we believe that we have the right team to guide the business into the future, we will continue to recruit new directors whose experiences support the Company's future strategy and industry focus and to ensure we have the right levels of diversity on the Board.

#### CURRENT BOARD COMPOSITION

The Board is constituted in terms of the Company's Memorandum of Incorporation (MOI) and in line with King IV. The majority of the Board members are non-executive directors who bring diversity to Board deliberations and create value by constructively challenging management. The Board members listed here, as well as the diversity statistics that follow, reflect the composition of the Board as of the date of this report.

	Name Shareholding	Designation Other public company appointments	Tenure*	ARC	RN	SE
Executive	<b>JJ Gertenbach</b> 157 600 <sup>#</sup>	<b>Chief Executive Officer</b> None	13			
	<b>F Grobbelaar</b> 18 490 <sup>#</sup>	<b>Chief Financial Officer</b> None	3			
Non-executive	<b>I van Heerden</b> <sup>-</sup> Nil	<b>Non-executive Chairman</b> Invicta Holdings Limited	3		■	
	<b>FN Khanyile</b> Nil	<b>Lead Independent Director</b> Bidvest Group Limited, Discovery Limited, JSE Limited	2	■		■
	<b>DD Ferreira</b> <sup>-</sup> Nil	<b>Independent Non-executive Director</b> None	<1		■	
	<b>JER Matthews</b> Nil	<b>Non-executive Director</b> None	4	■	■	■
	<b>H Ramsumer</b> Nil	<b>Independent Non-executive Director</b> Mr Price Group Limited	2	■		
	<b>W Sihlobo</b> <sup>-</sup> Nil	<b>Independent Non-executive Director</b> None	3			■
	<b>PRN Hayward-Butt</b> <sup>^</sup> 10 000 <sup>#</sup>	<b>Alternate Director</b> None	4			

#### Membership

■ Committee Chair      ■ Committee member

#### Committees

ARC Audit and Risk Committee  
RM Remuneration and Nomination Committee  
SE Social and Ethics Committee

#### Attendance

Board and committee meetings were held quarterly and/or bi-annually in line with the Group's financial reporting cycle and a budget and strategy workshop was held in February. All directors attended 100% of the meetings of the Board and the committees on which they served in FY2024.

\* In years

~ Standing for election or re-election at the Company's AGM in September 2024

<sup>#</sup> At 31 March 2024

<sup>^</sup> Alternate Director to JER Matthews

## Who leads us continued

### LEADERSHIP ROLES AND FUNCTIONS

Iaan van Heerden, the Non-executive Chairman, leads the Board in the objective and effective discharge of its governance role and responsibilities. Faith Khanyile bolsters the Board's independence in her capacity as Lead Independent Director. The role of the Chairman is distinct and separate from that of the CEO, and the separation of responsibilities is designed to ensure that no single person has unfettered decision-making powers and that appropriate balances of power and authority exist on the Board. Two members of executive management, namely the CEO and the CFO, serve on the Board to ensure that non-executive directors always have more than one point of direct interaction with management.

### NON-EXECUTIVE DIRECTOR RETIREMENT BY ROTATION

In accordance with clause 35.5(b) of the Company's MOI, one-third of non-executive directors are subject to retirement by rotation and re-election by shareholders at each AGM. The non-executive directors due to retire in terms of clause 35.5(b) are those who have been longest in office since their last election, provided that if more than one of them were elected directors on the same day, those to retire shall be determined by lot. Wandile Sihlobo and Iaan van Heerden are obliged to retire by rotation at the September 2024 AGM in accordance with these requirements.

### NON-EXECUTIVE DIRECTOR TENURE AND INDEPENDENCE

On behalf of the Board, the Remuneration and Nomination Committee oversees the assessment process for directors' independence. The review considers director performance and factors that may impair independence, including prevailing circumstances and directors' interests, whether perceived or actual. The review similarly considers the independence indicators set out in section 94(4)(a) and (b) of the Companies Act and in King IV. In FY2024, and following a rigorous annual review, the Board concluded that all independent non-executive directors continued to be independent in character, demonstrated behaviour, contribution to Board deliberations and judgment.

In accordance with the Company's policy on non-executive director tenure, independent non-executive directors who have served on the Board for nine consecutive years are required to stand for annual re-election by shareholders at each subsequent AGM. Such directors are subjected to a rigorous assessment by the Board as to their interests, independence and contribution prior to being recommended for annual re-election.

### DIVERSITY MEASURES\*

The Board comprises an appropriate balance of knowledge, skills, experience, diversity and independence to objectively and effectively discharge its governance role and responsibilities. It has adopted a broad diversity policy, focusing specifically on the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience at Board level.

### DIVERSITY OF EXPERTISE

**Policy:** To create an experienced Board with the appropriate balance of knowledge and skills, in areas relevant to the Group. The Board's set of skills, which are relevant to the Group, include a balance of the following:



In FY2024 the Board performed a self-assessment of its skills and expertise, and plans are being developed to address areas that require strengthening.

\* Where diversity measures relate to non-executive directors, they do not make provision for alternate directors.

## Who leads us continued

### INDEPENDENCE

**Policy:** Comprise a majority of non-executive directors, the majority of whom should be independent.

### DIVERSITY OF AGE

**Policy:** Executive directors are required to retire from the Board at age 65 and, unless otherwise agreed by the Board, non-executive directors are required to retire at age 75. Executive directors are subject to three-month notice periods.

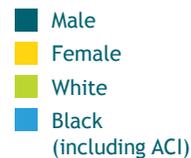
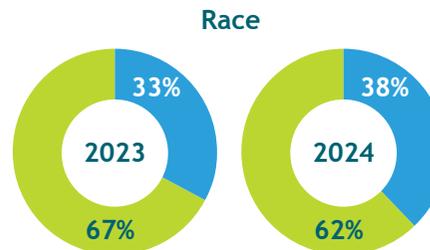
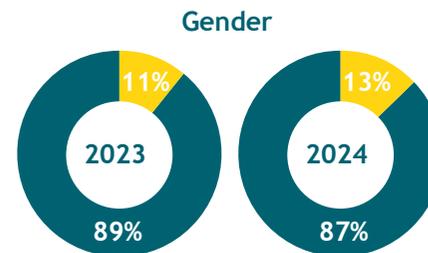
Average age:

**53 years**



### GENDER AND RACIAL DIVERSITY

**Policy:** The Company's policy on the promotion of broader diversity at Board level focuses on, amongst others, the promotion of the diversity attributes of gender and race. The policy is considered and applied when making appointments to the Board.



### SUCCESSION AND DIVERSITY OF TENURE

**Policy:** Periodic, staggered rotation of non-executive members to ensure the introduction of members with new expertise and perspectives, while retaining valuable industry knowledge, skills and experience and maintaining continuity.



Succession planning makes provision for the identification, mentorship and development of future members.

### BOARD SIZE

**Policy:** The Board should be sizeable enough to promote accountability and encourage healthy, constructive debate and decision-making, while meeting regulatory and MOI requirements. It should encourage participation and a sense of responsibility.



# Our governance process

## Governance philosophy and key objectives

Premier's governance is established by purpose-driven leadership by the Board and management, and the values and behaviours expected from all employees in the Group. Doing what is right is one of the key values embedded in the Group's culture and is implemented throughout the organisation through the adoption of the Premier Way.

The Board and executive management strive to create maximum value by delivering on the Group's purpose of ensuring that our products and people make a difference in the everyday lives of our consumers, as well as through the implementation of our four key integrated strategic pillars:



We ensure relevance and sustainability of our business model by monitoring, amongst others, the macro environment, key risks facing the industry, the availability of capital and stakeholder needs, all of which inform the strategy of the Group. Appropriate governance structures and processes in place ensure that we deliver against this strategy and ensure that our business is well-managed and controlled.

King IV principles are substantially entrenched into the Board's internal controls, policies, terms of reference and overall processes and the Board's governance oversight is guided by its commitment to achieving the governance outcomes set out in King IV:



For more information on how the Company has applied the principles of King IV, see the King IV Register on the Company's website at [www.premierfmcg.com](http://www.premierfmcg.com)

## KEY CORPORATE GOVERNANCE PRACTICES

The following key corporate governance practices are in place:

- Majority of non-executive directors are independent
- Annual election of 1/3 of non-executive directors by majority voting
- Annual Board and committee evaluations (formally facilitated every second year)
- Experienced non-executive Chairman with clearly delineated duties
- Lead independent director appointed to strengthen Board independence
- Board-approved policy on independent professional advice
- Related party transactions monitored and transparently disclosed in the AFS
- Malus and Clawback Policy that applies to executive director incentive awards
- MOI provisions enabling the protection of shareholder rights and the equitable treatment of shareholders
- No supermajority provisions or voting rights ceilings in governing or constitutional documents
- Shareholder right to call special meetings

## Our governance process continued

### PRIMARY ROLE AND RESPONSIBILITIES OF THE BOARD

The Board takes collective responsibility for its primary governance roles and recognises that the execution thereof allows for better informed approval and monitoring of strategy and an ongoing and mindful focus on the Company's positive efforts in relation to society and the environment in which it operates. During FY2024, the Board applied various principles of good governance to enable and support the Company's value creation process.

Key areas of Board oversight relate to, among others:

- Steering and setting strategic direction, including that in relation to risk, information technology and compliance governance
- Approving policy and planning
- Major acquisitions and disposals, capital expenditures and other large-value transactions
- Integrity of financial controls and information used for reporting
- Human capital management and executive remuneration
- Succession planning
- Shareholder communication

### KEY BOARD ACTIVITIES IN FY2024

The Board uses its quarterly meetings as a mechanism for discharging its duties in terms of the Companies Act, JSE Listings Requirements and King IV, and similarly as a means of influencing and monitoring strategic direction and the Company's approach to risk management.

Each Board meeting follows a carefully tailored agenda, agreed upon by the Chairman, CEO and company secretary. A typical meeting will comprise reports on current operating and financial performance, strategic risks and opportunities, governance updates and regulatory considerations and deeper discussions regarding areas of strategic importance.

During the year, the Board and its various committees discussed, oversaw and monitored the Company's performance and key strategic initiatives. The Board's areas of focus included:

- Long-term strategy and divisional portfolio and budget reviews. Focus similarly extended to business operating and financial performance reviews
- Enterprise risk management and compliance with legislation
- Capital allocation (refurbishment of the Aeroton bakery) and strategic acquisitions (30% stake in Goldkeys)
- Reduction of Group leverage ratio by means of voluntary debt repayments
- Site optimisation of confectionery footprint and HPC manufacturing
- Installation of major IT systems
- Declaration of maiden dividend of 220 cps in line with stated policy at listing

**In compliance with paragraph 7.F.6 of the JSE Listings Requirements, the Board confirms that the Company continues to comply with the provisions of the Companies Act and operates in conformity with its MOI and/or relevant constitutional documents.**



## Our governance process continued

### Leadership, ethics and corporate citizenship

#### ETHICAL AND EFFECTIVE LEADERSHIP

The Board leads the Company with integrity and competence, and in a manner that is **responsible, accountable, fair and transparent**, to ensure leadership that results in the achievement of our strategic objectives over time. It understands that it must lead ethically, consistently demonstrate the Company's values, and govern in a manner that embeds ethics throughout the Company so as to ensure that leadership is effective and that the Company is able to act as a responsible corporate citizen.

The Board is responsible for the strategic direction of the Group and directs strategy with reference to the Group's values. These values form a common platform for effective, responsible and ethical leadership, and are the basis for all deliberations, decisions and actions at Board level.

The Board and its members are held to account for ethical and effective leadership through annual performance evaluations which monitor, among others, the Board's effectiveness as a team, as well as the commitment, performance and ethical characteristics of its individual directors. Board members are similarly bound by the terms and conditions of the Company's code of business conduct and other ethics policies.

#### GOVERNANCE OF ETHICS

The Social and Ethics Committee plays a key role in exercising oversight of the Company's ethics and ensures that the Board is sufficiently equipped to deliver on its goal of having a sustainable ethical culture. Although this responsibility has been delegated, the Board remains accountable for the way in which it is discharged.

#### RESPONSIBLE CORPORATE CITIZENSHIP

The Board understands that the Company is required to take responsibility for the outcomes of the Company's activities and outputs on the social systems within which the Company operates, as well as the natural environment on which society depends. Through stakeholder engagement and collaboration, the Company has committed to understanding and being responsive to the interests and expectations of stakeholders and to partnering with them accordingly.

In line with its role of overseeing the Company's conduct, the Board approves the Company's values, environmental, social and governance (ESG) strategy, and key performance indicators, ensuring that these are congruent with the Company being a responsible corporate citizen that delivers on the South African transformation agenda and fulfils its legal and moral obligations.

The Board embraces, supports and enacts, within its sphere of influence, the principles of the United Nations Global Compact in the areas of human rights, labour standards, the environment and anti-corruption, and follows the Organisation of Economic Co-operation and Development's recommendations regarding corruption. The Board believes that integrating ESG concerns into the everyday business of the organisation results in responsible corporate citizenship and long-term sustainable value creation.

Accordingly, the Board is conscious of and active in its role of aiding the achievement of the following UN SDGs, which it believes are most relevant to Premier's business:





## Our governance process continued

### Strategy and performance

The Board assumes collective responsibility for the performance of the Company and for:



It informs and approves the Company's core purpose and strategy on an annual basis. With the support of the various committees, the Board oversees and monitors the implementation and execution by management of the policies and procedures developed to give effect to the approved strategy and assesses the achievement of the Company's strategic objectives against agreed key performance targets.

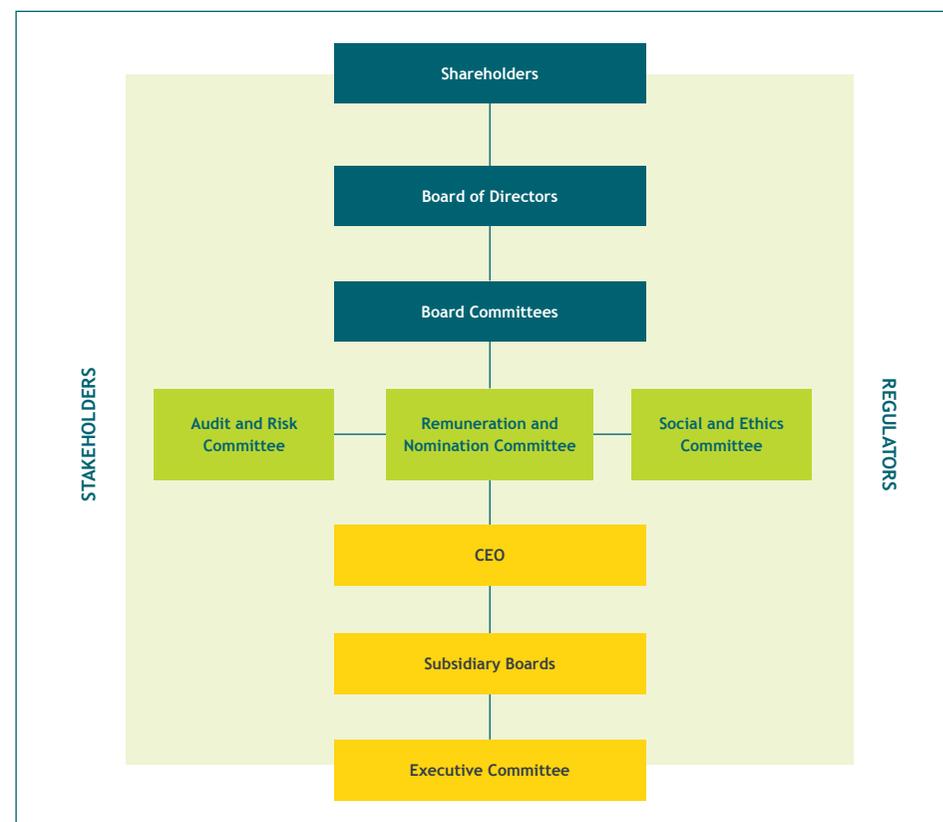
During FY2024, taking into consideration the Company's four key integrated strategic pillars, the Board informed and approved the Company's long-term strategy, developed to ensure that management can seize opportunities and mitigate risks. The Board also approved the financial budgets for each division and the Group, in line with their respective strategies and plans.

For more information on the Group's strategy, see pages 63 to 71.



### Governance structures and delegation

The Company's governance structure and delegation of authority provisions enhance independent judgement, ensure sustainable execution of strategy, and create opportunities to leverage off directors' special expertise in areas such as audit, risk management, sustainability and executive remuneration. The Board delegates authority to the following established Board committees, as well as to executive management, with clearly defined mandates.



## Our governance process continued

### Committee composition, responsibilities and terms of reference

The committees are appropriately constituted, and members are appointed by the Board with the exception of the Audit and Risk and Social and Ethics Committees, whose members are nominated by the Board and elected by shareholders. External advisors, executive directors and members of management attend committee meetings either by standing invitation or on an *ad hoc* basis to provide pertinent information and insights in their areas of responsibility.

Details regarding the full roles, responsibilities and composition of the committees are set out on the pages that follow. The responsibilities delegated to these committees are formally documented in the terms of reference for each committee, which are approved by the Board and reviewed on an annual basis.

After each committee meeting, committee Chairs report back to the Board, which facilitates transparent communication between directors and ensures that all aspects of the Board's mandate are addressed. The Board remains satisfied that the committees are competent to deal with the Company's current and emerging risks and opportunities and that they effectively discharged their duties during FY2024.



## Our governance process continued

### AUDIT AND RISK COMMITTEE

#### MEMBERS



1

HARISH  
RAMSUMER  
Chairman

2

FAITH  
KHANYILE

3

JONATHAN  
MATTHEWS\*

#### FUNCTIONS MANAGED

- Financial accounting and external reporting
- Financial controls
- Tax
- Internal audit
- External audit (including non-audit services)
- Combined assurance
- Grain procurement
- IT strategy and governance
- Data and information

Chaired by an independent non-executive director  
Comprises three non-executive directors, all of whom satisfy the requirements of section 94(4) of the Companies Act

CEO, CFO, group finance executive, risk executive, IT executive, internal auditors, external auditors, legal executive and company secretary

6

100%

#### COMPOSITION

#### PERMANENT INVITEES

#### NUMBER OF MEETINGS HELD

#### OVERALL MEETING ATTENDANCE

#### KEY FOCUS AREAS IN FY2024

The Committee focused its attention on the following areas during the year:

- The embedment of combined assurance within the Group
- Cybersecurity risks and data privacy, with a particular focus on IT general controls to ensure the confidentiality, integrity and availability of the Group's data, and the reliability and accuracy of the Group's financial reporting
- The valuation of the Group's share incentive scheme and related IFRS 2 charges

The Audit and Risk Committee's full report detailing, amongst others, the manner in which the Committee fully discharged its responsibilities in FY2024, is set out on pages 4 to 7 of the consolidated annual financial statements.

\* Jonathan Matthews will resign from the Committee with effect from and following the conclusion of the AGM on 4 September 2024. He will be replaced by Daan Ferreira.

\*\* Rolf Hartmann resigned from the Committee with effect from 6 September 2023.

## Our governance process continued

### REMUNERATION AND NOMINATION COMMITTEE

#### MEMBERS



1

JONATHAN  
MATTHEWS\*  
Chairman

2

DAAN  
FERREIRA\*\*

3

IAAN  
VAN HEERDEN

#### FUNCTIONS MANAGED

- Remuneration
- People and retention
- Succession planning
- Governance and director affairs
- Conflicts of interest and related party transactions

#### COMPOSITION

Chaired by a non-executive director  
Comprises three non-executive directors, including the Chairman of the Board

#### PERMANENT INVITEES

CEO, CFO, human resources executive, legal executive and company secretary. While invitees attend committee meetings, they are not present when their remuneration is discussed and hold no voting powers

#### NUMBER OF MEETINGS HELD

2

#### OVERALL MEETING ATTENDANCE

100%

#### KEY FOCUS AREAS IN FY2024

The Committee focused its attention on the following areas during the year:

- Continued engagement with shareholders to ensure the Group's remuneration policy attracts and retains key talent, supports business performance and remains aligned to the interests of shareholders in the fact of a changing regulatory environment
- Implementation of the Company's schedule 14 share incentive scheme
- Succession planning for the Board and members of the Company's executive committee
- The appointment and onboarding of Daan Ferreira considering identified skills gaps and the provisions of the board diversity policy

Further details on the specific remuneration-related activities of the Committee in FY2024 are set out in the remuneration report on pages 102 to 118.

\* Jonathan Matthews was appointed as the Chairman and a member of the Committee with effect from 6 September 2023.

\*\* Daan Ferreira was appointed as a member of the Committee with effect from 1 February 2024.

~ Rolf Hartmann was the Chairman of the Committee prior to his resignation on 6 September 2023.

^ Corrie Roodt resigned from the Committee with effect from 31 January 2024.

## Our governance process continued

### SOCIAL AND ETHICS COMMITTEE

#### MEMBERS



1

WANDILE  
SIHLOBO  
Chairman

2

FAITH  
KHANYILE\*

3

JONATHAN  
MATTHEWS

#### FUNCTIONS MANAGED

- Stakeholder engagement
- Consumer relations
- Transformation
- Sustainability
- Ethics
- Compliance
- Risk
- ESG

#### COMPOSITION

Chaired by an independent non-executive director  
Comprises three non-executive directors

#### PERMANENT INVITEES

CEO, CFO, group strategy and marketing executive, ESG executive, risk executive, human resources executive, legal executive and company secretary

#### NUMBER OF MEETINGS HELD

2

#### OVERALL MEETING ATTENDANCE

100%

#### KEY FOCUS AREAS IN FY2024

The Committee focused its attention on the following areas during the year:

- Ongoing alignment of the Company's sustainability and ESG journey with the requirements of recognised frameworks
- Monitored amendments to employment equity legislation
- Oversaw the roll out of diversity and inclusivity initiatives throughout the organisation
- Monitored compliance with food safety standards and other consumer and product legislation
- Monitored customer complaints and resolutions

**In accordance with paragraph 7.F.5 of the JSE Listings Requirements, the Committee confirms that it has fulfilled its mandate as prescribed in the Companies Regulations to the Companies Act and that there are no instances of material non-compliance to disclose.**

For more information on the Company's ESG strategy, sustainability practices and initiatives, see the sustainability report on pages 78 to 101.

\* Faith Khanyile was appointed as a member of the Committee with effect from 6 September 2023.

\*\* Rolf Hartmann resigned from the Committee with effect from 6 September 2023.

## Our governance process continued

### Evaluation of the performance of the Board

The Board and committee self-evaluation process allows for annual assessment of the Board's practices and the opportunity to identify areas for improvement. The Remuneration and Nomination Committee approves the annual Board evaluation process, which is formally facilitated every second year in accordance with the recommendations in King IV.

#### COMPANY SECRETARY

Bronwyn Baker is the appointed company secretary. Her primary responsibilities are to:

##### Provide

Counsel and guidance on individual and collective powers and duties, and on matters relating to governance, legal compliance and ethics

##### Render

Ongoing support and resources to enable directors to improve and refresh their skills, knowledge and understanding of the Company, as well as proposed changes to laws and regulations applicable to the Company

##### Collate and distribute

Relevant information to ensure that all directors have full and timely access to the relevant information that assists them with the effective execution of their duties and obligations

##### Induct

New directors on their fiduciary and statutory duties and responsibilities

##### Assist

The Remuneration and Nomination Committee with the annual evaluation of the effectiveness of the Board

##### Facilitate

Professional and skills training and access to information and independent advisors as and when required by the Board

Prior to Bronwyn Baker's appointment as company secretary in January 2024, the position was held by Retha Stoltz.

In compliance with paragraph 3.84(j) of the JSE Listings Requirements, an annual evaluation of the company secretary is carried out by the Remuneration and Nomination Committee on behalf of the Board. The results of the latest evaluation confirmed that the company secretary demonstrates the requisite level of knowledge and experience to carry out her duties. The Board is also comfortable that she maintains an arm's-length relationship with individual directors and confirms that she is neither a director nor a public officer of the Company nor any of its subsidiaries.



# 03



## Our Approach

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# Our investment case

Premier's systematic focus on being the lowest cost producer in the Millbake category and its dedication to achieving consistent top quality delivery every day, allows it to differentiate itself and operate competitively in a dynamic trading environment. Continuous investment in its operational platform and business model has enabled Premier to consistently create and preserve value in the long term, positioning it as one of the leading CPG platforms with further capability to grow.

1



**Key CPG player within the broader South African market**

- Extensive offering of **trusted, market-leading brands** across key categories servicing the broader population
- **Resilience and defensive growth** in weak macro-economic climate
- Demonstrated ability to **consistently improve market share** with further potential to grow
- Able to **compete effectively** in one of the largest food categories
- Strategic **private label partnerships** complement the brand portfolio

2



**Significant capex investment has delivered fully integrated state-of-the-art facilities**

- Premier's modern facilities enable it to operate a **low-cost production model** whilst maintaining **high quality standards**
- **Scalable platform** differentiating Premier in terms of scale and logistics capabilities
- Exhibited capacity and **ability to grow**
- Infrastructure and capability to reach a **broad customer base**, street by street
- Well invested IT capability supporting Premier's integrated operations
- **Over R6 billion capex** invested since 2011

3



**Consistent track record of strong financial performance**

- History of superior volume and sales growth and an **improving margin trend**
- **Focused on input cost management** in a rising inflationary environment
- **Maintained strong financial metrics** despite commodity price volatility assisted by effective procurement strategy
- **Flexible business model**

4



**Core competency in identifying and integrating value-accretive acquisitions**

- Strategic bolt-on acquisitions, identified against carefully considered investment criteria, continue to supplement Premier's **organic growth**
- **14 acquisitions** since 2011
- Created a platform to **further scale operations**
- Pipeline of **M&A opportunities** to continue expansion

5



**Highly skilled and experienced management team**

- **Nine experienced senior operational executives** who collectively have over 90 years of experience
- Widely considered **industry leading** amongst peers
- Fostered a high performance, agile culture across the organisation
- **Stable operational and functional management team**

6



**Rigorous adherence to a corporate philosophy of "Doing what is right"**

- Premier strives to operate **ethically** and in a **transparent manner**
- Premier has a **defined sustainability strategy** currently being implemented
- Shown **capacity and ability to grow** within the communities it has earned the right to operate in
- ESG performance targets included in CEO scorecard maintaining a companywide **strategic focus on sustainability measures**

# Value creating business model

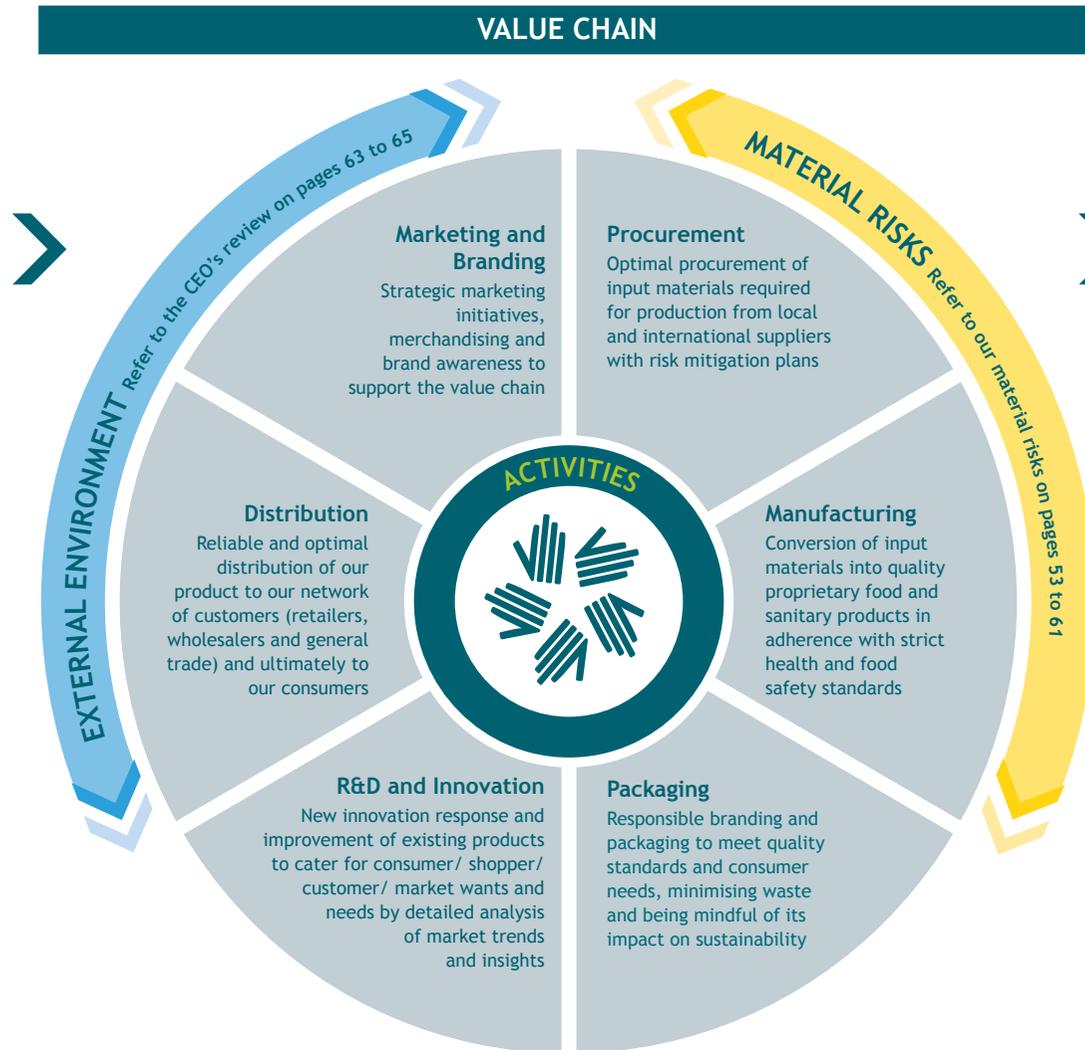
Our business model positions us to create long-term sustainable value for all of our stakeholders through the mindful use of our six capital inputs and relentless commitment to our strategic intent. Applying rigorous governance oversight and responsible business improvement practices, we seek to improve the lives of our stakeholders and ensure the sustainability of our business processes.

**OUR PURPOSE:** Our products and people make a difference in the everyday lives of our consumers

## KEY INPUTS

- F
**Financial Capital**  
 Funding available to Premier from shareholders, debt providers and retained profits
- M
**Manufactured Capital**  
 Our physical infrastructure of state-of-the-art manufacturing facilities, distribution depots and logistics operations in our chosen geographies enabled by our sophisticated IT platform
- S
**Social and Relationship Capital**  
 The stakeholders in our business who share our common value creation goal including customers, consumers, suppliers, regulators, investors and the communities we serve
- H
**Human Capital**  
 Our skilled workforce, supported by our top tier Executive and Board, motivated by our culture, the Premier Way, to deliver on our purpose
- I
**Intellectual Capital**  
 Our long operating history, respected brands, innovative and agile mindset, intellectual property and operating systems and processes, coupled with excellence in execution
- N
**Natural Capital**  
 The natural resources that are critical in the manufacture of our products

## VALUE CHAIN



## DIRECT OUTPUTS

Providing our customers and consumers with nutritious, affordable, quality food, confectionery, beverages and sanitary products delivered reliably through our various routes to market. Applying purpose led corporate responsibility to align with our sustainability strategy of “Earning the right to operate in our communities”

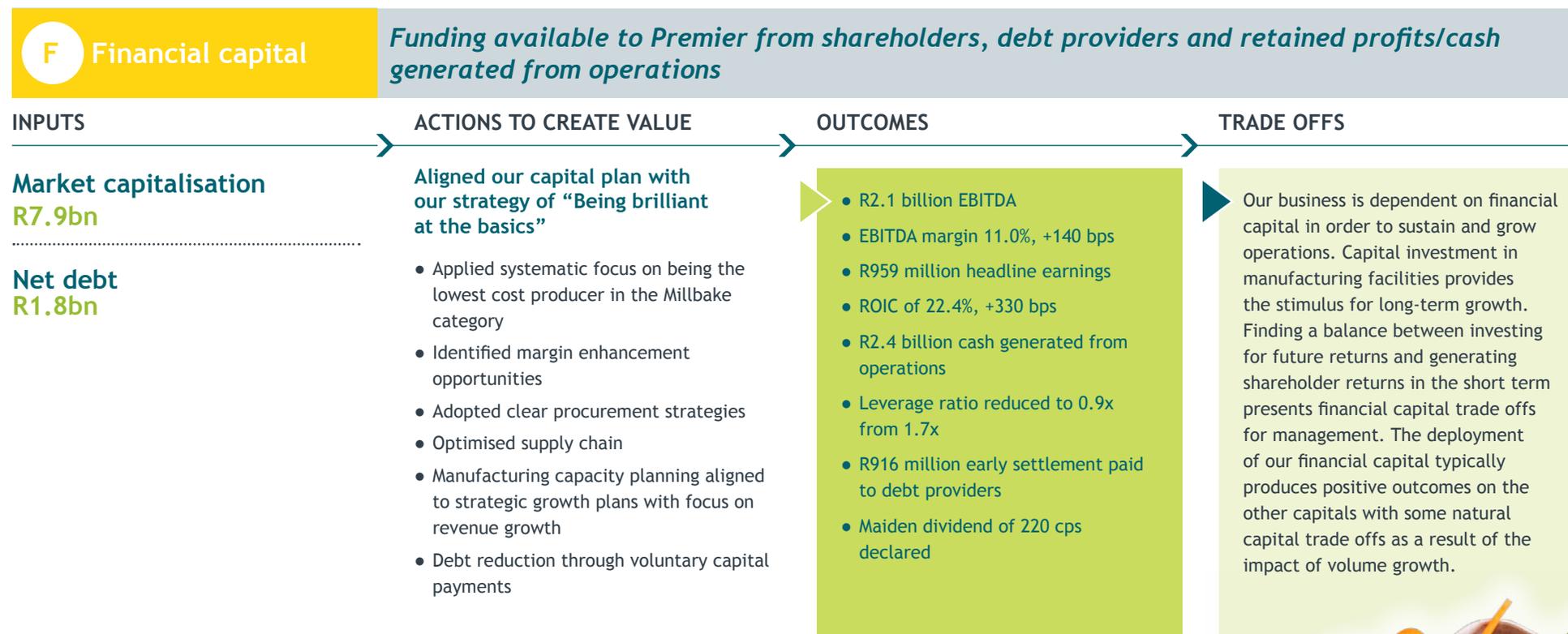
## OUTCOMES

Refer to pages 42 to 47 for more detail on how we invest in and deliver value through our capitals

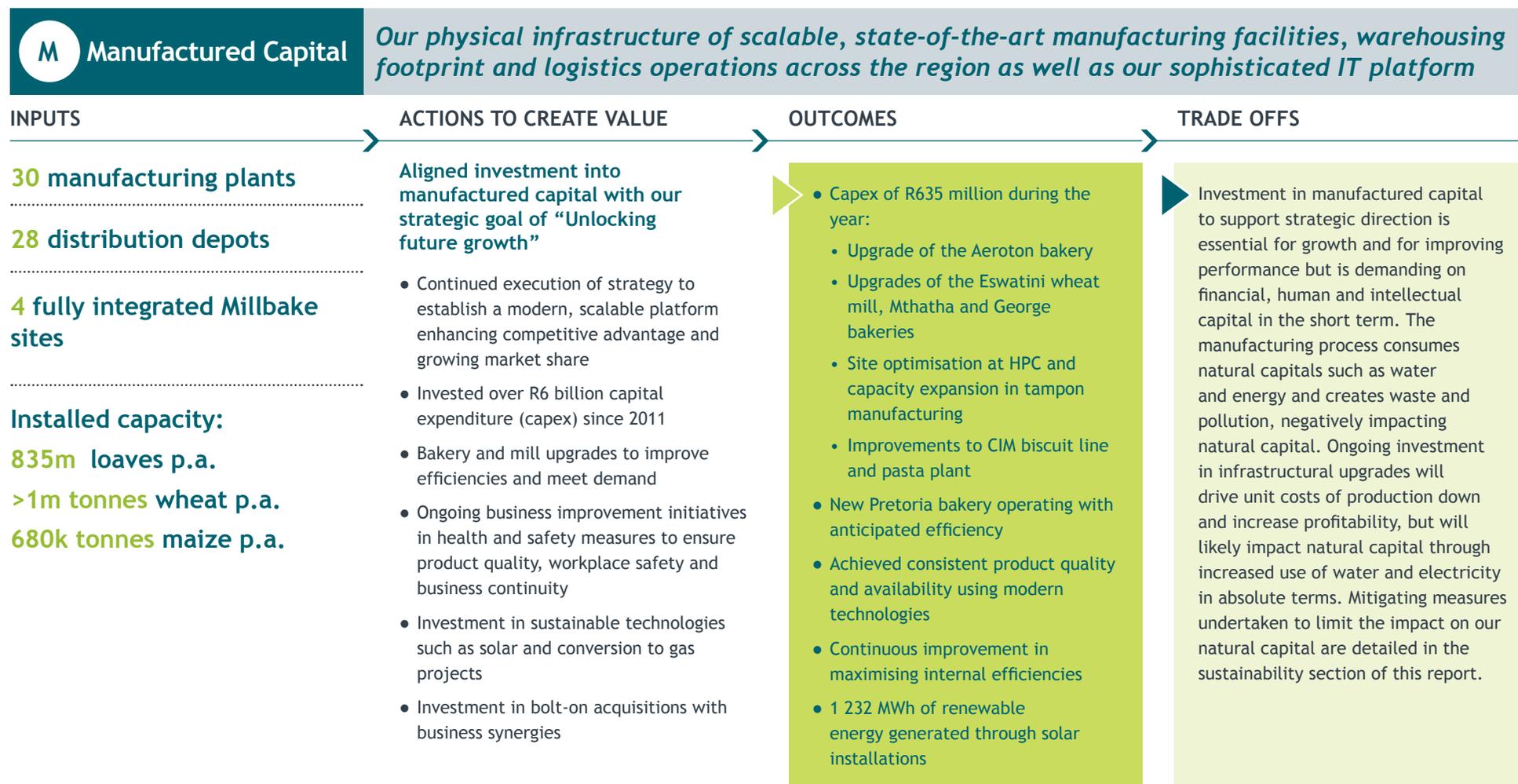
## UN SDGs

Refer to our sustainability report on pages 78 to 101 for more detail on our sustainability initiatives

# How we create value



## How we create value continued



## How we create value continued



## How we create value continued



## How we create value continued



## How we create value continued



# Stakeholder engagement

Participating in open and inclusive dialogue with key stakeholders supports our purpose, assists in monitoring material issues facing the Group and in finding appropriate responses to concerns and issues raised. This process enables Premier to develop and maintain trusted partnerships which are mutually beneficial and result in the mitigation of risks and manifest in sustainable value creation.

Premier recognises that stakeholders have differing needs and expectations and aims to respond appropriately to fulfill its various stakeholder obligations, both external and internal.



Stakeholder	Stakeholder expectations	Nature of engagement	Our response
<p><b>Consumers</b></p> <p>Creating value for our consumers through our brand offering supports Premier's purpose.</p>	<ul style="list-style-type: none"> <li>• Food safety</li> <li>• Value for money</li> <li>• Consistent quality</li> <li>• High nutritional content</li> <li>• Provision of accurate product information</li> <li>• Ethical and sustainable food production</li> </ul>	<ul style="list-style-type: none"> <li>• Brand communication</li> <li>• Promotion in-and out of store               <ul style="list-style-type: none"> <li>• TV, radio, outdoor media, digital and social media and point-of-sale</li> </ul> </li> <li>• Informative and engaging brand packaging</li> <li>• Range of products and pack formats to meet specific consumer requirements</li> <li>• Raising brand recognition through various community upliftment initiatives</li> <li>• Informative websites</li> <li>• Customer Care line</li> </ul>	<p><b>Be brilliant at the basics</b></p> <ul style="list-style-type: none"> <li>• Adherence to food manufacturing safety protocols</li> <li>• Cost control measures to mitigate necessary inflationary price increases</li> <li>• Deliver on brand promise and product offering</li> <li>• Recipe formulation to enhance nutritional value</li> <li>• Detailed product ingredient information provided</li> <li>• The cognisant management of the use of our natural capitals - water, energy and the reduction of waste</li> <li>• Packaging improvements to improve recyclability and reduce weight</li> <li>• Ongoing community initiatives</li> <li>• Culture of innovation</li> </ul>

## Stakeholder engagement continued

Stakeholder	Stakeholder expectations	Nature of engagement	Our response
<p><b>Customers</b></p> <p>Establishing and protecting the partnerships Premier has with its retail, wholesale and independent customers is vital to ensure that our products are relevant, on the shelf and readily available to our consumers.</p>	<ul style="list-style-type: none"> <li>• Fair and reasonable trade agreements</li> <li>• “Shelf health” - Consistent product quality, merchandising and availability at a fair price</li> <li>• Category growth development plans</li> <li>• Innovation in core Premier brands and private label solutions to grow basket and foster collaborative relationships</li> <li>• Long-term growth horizons</li> </ul>	<ul style="list-style-type: none"> <li>• Annual strategic top-to-top engagement</li> <li>• Joint business planning workshops</li> <li>• Service provider alignment sessions</li> <li>• Formal and informal trade engagements</li> </ul>	<p><b>Be brilliant at the basics</b></p> <ul style="list-style-type: none"> <li>• Application of AVAA – accessibility, visibility, affordability and availability strategies</li> <li>• Share of trade (location)</li> <li>• Forward share management</li> <li>• Relentless adherence to food manufacturing safety protocols</li> <li>• Innovative responses to food trends</li> <li>• Effective promotions that deliver mutual benefits</li> </ul>
<p><b>Communities and non-profit organisations</b></p> <p>Premier is dedicated to assisting its communities through its sustainability vision.</p> <p>“Earning the right to operate in our communities by being mindful of our responsibility to society and the planet”.</p>	<ul style="list-style-type: none"> <li>• Upliftment of impoverished communities</li> <li>• Employment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Social Investment (CSI) projects</li> <li>• Training programmes to upskill community members</li> <li>• Community engagement</li> </ul>	<p><b>Earn the right to operate in our communities</b></p> <ul style="list-style-type: none"> <li>• Ongoing commitment to and investment in various CSI and Enterprise Development projects across different communities focusing on nutrition, menstrual hygiene and education</li> <li>• CSI projects include meal and sanitary product donations as well as upliftment programmes to improve local infrastructure</li> <li>• Enterprise Development projects include investment and support to improve services provided by small business within informal communities</li> <li>• Skills development initiatives such as the Bake-for-Profit training programme to help uplift impoverished communities and provide earning opportunities</li> <li>• Local community forum engagement and initiatives to improve business and community relations</li> </ul>

## Stakeholder engagement continued

Stakeholder	Stakeholder expectations	Nature of engagement	Our response
<p><b>Employees and employee representative bodies</b></p> <p>Premier people are the heartbeat of the organisation and help fulfil Premier's purpose. Transparent, regular communication encourages dignity and respect and a vibrant working environment.</p>	<ul style="list-style-type: none"> <li>Engage workforce</li> <li>Fair and reasonable compensation</li> <li>Job security</li> <li>Safe working environment</li> <li>Adherence to human rights policies</li> <li>Career progression opportunities</li> <li>Skills development and training</li> <li>Open and regular communication</li> <li>Fair policies and practices aligned to code of good practice</li> </ul>	<ul style="list-style-type: none"> <li>Performance appraisals and scorecard system</li> <li>Union representative forums</li> <li>System of structured team engagement forums (INVOCOMS)</li> <li>Regular companywide communication newsletters</li> <li>Presentations and updates by the CEO</li> <li>Top 400 quarterly engagement</li> <li>Social events</li> <li>Employee hotline</li> <li>Recognition culture, annual awards and roadshows</li> </ul>	<p><b>Grow together to be the best</b></p> <ul style="list-style-type: none"> <li>Health and safety a priority with FSSC 22000 and ISO 9001 certification at the majority of sites with a relentless focus on avoiding injuries by driving a safety culture</li> <li>External benchmarking to ensure appropriate guaranteed pay scales to retain and attract talent</li> <li>Organised training programmes</li> <li>Active talent management processes to enable career progression</li> <li>Premier BEE Trust introduced</li> </ul>
<p><b>Suppliers</b></p> <p>Developing mutually supportive relationships with our suppliers and service providers assists Premier in ensuring the reliability of internal and external customer service levels and with consistent supply of quality and in-specification materials.</p>	<ul style="list-style-type: none"> <li>Sustainable supply</li> <li>Honouring contractual terms and agreements</li> <li>Investment in Enterprise Supplier Development initiatives</li> <li>Building relationships with strategic suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Supplier meetings (online or in person)</li> <li>Presentations and assessments</li> <li>Review of performance and regular correspondence on developments</li> <li>Supplier quality audits</li> <li>Supply risk mitigation strategies</li> </ul>	<p><b>Grow together to be the best</b></p> <ul style="list-style-type: none"> <li>Discussions provide insight into market conditions to ensure availability and cost management</li> <li>Several Enterprise Supplier Development initiatives have been executed supporting smaller suppliers to create mutually beneficial growth opportunities throughout the supply chain</li> <li>Development of new / innovative products, ingredients and packaging</li> </ul>

## Stakeholder engagement continued

Stakeholder	Stakeholder expectations	Nature of engagement	Our response
<p><b>Providers of financial resources</b></p> <p>Maintaining productive relationships with our shareholders and debt providers is fundamental to the sustainability and growth of the business.</p>	<ul style="list-style-type: none"> <li>• Consistent return on investment through growth in the share price and the payment of dividends</li> <li>• Meeting all debt covenants and repayment timelines</li> <li>• Emphasis on cash generation and effective risk management of capital</li> <li>• High standards of corporate governance applied</li> </ul>	<ul style="list-style-type: none"> <li>• Regular meetings and one-on-one interactions, including site visits</li> <li>• Annual and interim presentations</li> <li>• Investor meetings and roadshows</li> <li>• Annual General Meetings</li> <li>• SENS announcements</li> <li>• Website investor section at <a href="http://www.premierfmcg.com">www.premierfmcg.com</a></li> </ul>	<p><b>Unlock future growth</b></p> <ul style="list-style-type: none"> <li>• Rigorous strategic planning process to consolidate and benefit from opportunities</li> <li>• Determination and monitoring of a five-year growth plan</li> <li>• Continuous compliance with covenants</li> <li>• Ongoing internal and external integrity assessments of governance structures</li> <li>• Intention to conduct regular engagement in the listed environment enhancing accountability and transparency while maintaining competitive advantage</li> <li>• Culture of innovation and agility creating sustainable value for stakeholders</li> <li>• Application of procurement policies to mitigate exchange rate risk</li> </ul>
<p><b>Analysts and media</b></p> <p>Engaging with analysts provides our shareholders and potential investors with insights into our business which assists with their investment decisions and gives Premier the opportunity to provide firsthand feedback about the Company performance and direction.</p>	<ul style="list-style-type: none"> <li>• Transparent and balanced disclosure</li> <li>• Regular access to management</li> <li>• Adequate response to Company issues through formal communication</li> </ul>	<ul style="list-style-type: none"> <li>• Interim and annual results presentations</li> <li>• Investor site visits</li> <li>• One-on-one meetings with key management</li> <li>• Media releases when required</li> </ul>	<ul style="list-style-type: none"> <li>• Open engagement to provide adequate disclosure, but being mindful to disclose information that is comparable to that of our peers</li> </ul>

## Stakeholder engagement continued

Stakeholder	Stakeholder expectations	Nature of engagement	Our response
<p><b>Government and regulators</b></p> <p>Regular communication with government and regulators is essential for maintaining responsible corporate governance.</p>	<ul style="list-style-type: none"> <li>• Fulfillment of compliance requirements</li> <li>• Achieving B-BBEE targets</li> <li>• Food, product and operational safety</li> </ul>	<ul style="list-style-type: none"> <li>• Liaison with significant industry regulators and business associations</li> <li>• Engagement with relevant environmental regulatory bodies</li> <li>• Participate in government initiated public forums</li> </ul>	<ul style="list-style-type: none"> <li>• Culture of compliance through application of the Premier Way philosophy</li> <li>• Diversity initiatives such as the establishment of the Premier BEE Trust for employees and members of local communities to participate in the growth of the Company</li> <li>• Increased diversity at Board and executive level</li> <li>• Health and safety a priority with FSSC 22000 and ISO 9001 certification at the majority of sites</li> </ul>



# Material risks

In our quest to become a world class supplier of quality consumer products, we are committed to effectively maintaining, implementing and monitoring the Group's risk management portfolio. Premier has established a rigorous set of risk management strategies minimising the likelihood and impact of both strategic and operational risk events, ensuring the growth and sustainability of our Company for the benefit of all our stakeholders.

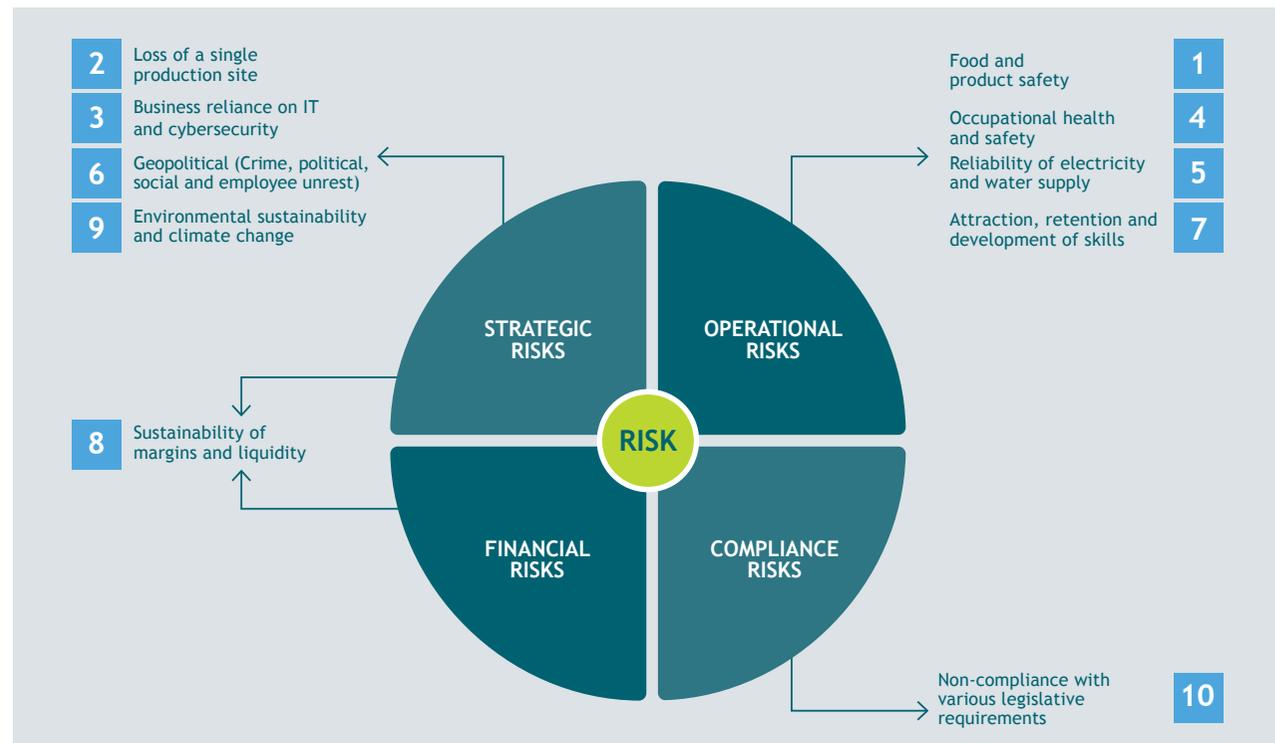
While the Board has ultimate responsibility for the oversight of the Group's strategic risk management process, it has mandated the Audit and Risk Committee to ensure that management maintains and implements the risk framework responsibly and effectively. The Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Risk Committee is assisted in its oversight role by internal audit, conducted by governance and internal control as well as Ernst & Young. Internal audit undertakes both regular and *ad hoc* reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee. PwC conducts an annual external audit to review the financial risks of the business.

Divisional executives and senior business unit management are responsible for the management of the operational risk programme in their respective business units with the support of the central risk management team. Our operational risk management process is driven by a comprehensive risk management audit system, striving towards ISO 45001, identifying and closing the gaps on a continuous improvement basis.

The need to comply with relevant environmental legislation has been recognised by Premier and we aim to conform to a process of environmental risk management in compliance with best practice. An environmental element has been activated in the risk management programme and implemented nationally based on ISO 14001. Operational and strategic risk registers are updated quarterly, based on

risks identified at site level and at a macro level, to ensure business readiness in the face of potential risk events. The Audit and Risk Committee meets quarterly to monitor the evolution of the Group's risk register and the implementation thereof. In addition, the register is reviewed annually by the executive lead team and the Board.

The Group's strategic risk register identifies our key material risks which have been determined by the executive committee with input from the lead management team. The material risks faced by the business are detailed below:



## Material risks continued

MATERIAL RISK

1

### FOOD AND PRODUCT SAFETY

Refer to Our Products in the sustainability report on page 88 to 90.

Food and product safety is critical to our success and sustainability. Raw material inputs such as wheat and maize, which are our largest raw material inputs, production processes and packaging materials must comply with the highest manufacturing standards to ensure that safe, quality products are reliably delivered to the consumer. The risks associated with lapses in food and product safety protocols or sub-standard inputs are material and require proactive management and sustained attention. Any harm to our consumers or people is unacceptable to Premier and any allegation that our products are defective or contaminated, even if unfounded, could result in damaging business interruptions and potential product recalls.

#### OTHER RISKS INCLUDE:

- Reputational damage to the brand
- Quality claims from customers
- Imposition of fines and penalties
- Legal action instituted against Premier

#### MITIGATING CONTROLS AGAINST THE RISKS:

- Development and implementation of a compliance management framework, with groupwide monitoring and evaluation processes
- Continuous improvement department is ISO 9001 certified to strengthen the ISO 22000 certifications at operational level
- FSSC 22000 or ISO 22000 accreditation for all Premier sites and FSSC 22000 obtained for third-party manufacturing sites, including supplier audits where applicable
- Investment in infrastructure to harness state-of-the-art technology
- Ongoing training programmes to entrench best practice behaviour
- Consumer complaint management process established to respond to issues appropriately
- Risks measured and managed using the Hazard Analysis Critical Control Point (HACCP) framework
- Vulnerability Assessment Critical Control Points (VACCP) to be done for all new raw materials



## Material risks continued

MATERIAL RISK

2

### LOSS OF A SINGLE PRODUCTION SITE

Premier, as with other manufacturing businesses, relies on the continued and efficient operation of our facilities. Any unplanned stoppages in production caused by a technical malfunction or other unforeseen event, particularly fire, could result in lower production volumes, inventories and revenues. Our South African maize for example, is milled at one major single site in Kroonstad, which accounts for 85% of our total capacity. If the manufacturing capacity was to be disrupted or inventory lost at that plant, we would need to incur significant costs. Similarly, if a third-party manufacturer was to suffer unexpected closure of a plant, Premier would need to source alternative product potentially at a higher cost.

#### MITIGATING CONTROLS AGAINST THE RISKS:

- Developed the single site risk plan, reviewed quarterly by site and annually by the central risk management team, to anticipate risks and monitor processes
- Comprehensive fire detection and prevention procedures installed and audited by professional service providers
- Established a diversified supply chain with a number of third-party manufacturers
- Conduct regular review of and relationship building with back-up suppliers or manufacturers
- Upgrading of outdated machinery and adequate maintenance of infrastructure and machinery
- Business risk insurance



MATERIAL RISK

3

### BUSINESS RELIANCE ON INFORMATION TECHNOLOGY AND CYBERSECURITY

We are reliant on third-party IT systems and infrastructure to be available on a continuous and uninterrupted basis. The business opportunities that new technologies provide are essential to creating and maintaining competitive advantages but the proliferation and commercialisation of various forms of cyber-crime, particularly in recent years, is a significant concern that requires continuous risk management. Failures, breakdowns or cybersecurity incidents affecting our IT could materially adversely affect our business through inability to transact due to network outages, data loss, pressure on business processes or unauthorised access to data. Our computer and management systems could be harmed by a variety of circumstances, including disruptions to telecommunications infrastructure, insufficient capacity at IT centres, fire, power outages or damage and third-party attacks.

Furthermore, the POPI Act in South Africa, requires that businesses comply with measures to protect the personal information of their customers. If Premier fails to meet any of the minimum standards as set out by the Act, it could lead to fines imposed by authorities, or reputational harm to our business.

#### MITIGATING CONTROLS AGAINST THE RISKS:

- Key information and business data backed up and stored in geographically redundant data storage systems. Backup frequency chosen to minimise risk of data loss
- Provision of multiple disaster recovery options and sites in the event of a major failure in core services
- All sites, including corporate, are equipped with redundant networks that are provided by multiple vendors to reduce risk of single point failure
- Penetration tests performed on an *ad hoc* basis across systems to identify opportunities to improve
- Equipment kept current and configured to standard at all times
- Server platform upgrades completed to most recent version

## Material risks continued

MATERIAL RISK

4

### OCCUPATIONAL HEALTH AND SAFETY

Refer to Our People in the sustainability report on page 83 to 87.

The risks associated with poor health and safety governance processes can present significant operational risk hazards. The manufacturing environment needs to be carefully monitored and employees sufficiently trained to prevent injuries to people visiting or working at Premier premises. Through our integrated Risk Management Programme a comprehensive compliance framework has been developed according to applicable health and safety legislation enabling Premier to implement best practice in the CPG industry. This framework is based on a customised grading system comprising six elements. A star is awarded for compliance with each element against a compliance standard of 97%, with the target requirement being a minimum of 5 stars. The framework is aligned to ISO 45001:2018 (Occupational Health and Safety) and ISO 14001:2015 (Environmental Compliance).

#### MITIGATING CONTROLS AGAINST THE RISKS:

- Ongoing focus on implementation of customised 6 Star Safety, Health and Environment rating system
- Employees provided with personal protective equipment (PPE) where necessary
- Training of first aiders for each site
- Emergency evacuation plans and drills established per site
- Visible health and safety signage at all sites
- Annual health and safety training
- Induction given to all new employees and visitors at manufacturing sites
- Health and safety topics communicated digitally across the organisation
- Access control to production areas
- Maintenance of infrastructure



## Material risks continued

MATERIAL RISK

5

### RELIABILITY OF ELECTRICITY AND WATER SUPPLY

Refer to Our Planet in the sustainability report on page 91 to 96.

Adequate, uninterrupted supply of water and electricity is critical for our production facilities to operate optimally. The national power grid is likely to remain stressed for several years and loadshedding anticipated to continue until the grid is sufficiently upgraded and supported in part by deregulation of the renewables sector. Extended blackouts could have an effect on our ability to produce at full capacity or at all.

In some areas, municipal water infrastructure is ageing and unreliable and water supply needs to be supplemented by alternative sources. In the event of a fire, the availability of water is critical to control and minimise damage. In addition, water scarcity is becoming an increasing threat in South Africa which cannot be ignored. Water shortages could result in loss of production, and in the case of a fire, extensive damage to equipment and / or personnel.

#### MITIGATING CONTROLS AGAINST THE RISKS:

- As part of the business continuity plan, generators, which are designed to run the entire site, have been installed at all of our bakeries
- Surge and lightning protection equipment installed on our major machinery
- Solar installations to manage the transition during loadshedding have been implemented offering an alternative energy source with cost saving potential
- Essential IT equipment connected to generators and increasing use of cloud services including daily backups
- All electrical installations at sites to have certificates of compliance
- Emergency water supplies and contracts in place for major sites
- A five-year facility plan implemented at all Millbake and Groceries sites to upgrade manual fire water protection systems
- Boreholes with filtration systems and water reservoirs installed at sites considered critical and at those sites at higher risk of water shortages
- Buffer stock management processes implemented at mills and groceries sites

MATERIAL RISK

6

### GEOPOLITICAL (CRIME, POLITICAL, SOCIAL AND EMPLOYEE UNREST)

A deteriorating macro-economic climate and challenging local political conditions, including the inability of the government to achieve political, social and economic stability, may result in further social and labour unrest and continuing high levels of crime both internal and external. Premier's informal bread business is particularly vulnerable to robbery attempts given the high proportion of cash sales made directly to customers. South Africa has a highly unionised work force and is subject to periodic planned and unplanned strike action. Such actions and, in particular, prolonged and frequent strike action may have a negative impact on our business and its customer base with business continuity being compromised, potential damage to property occurring and the safety of our people put at risk.

This risk is material for Premier and puts in jeopardy our fundamental purpose and the provision of staple food products to the nation.

#### MITIGATING CONTROLS AGAINST THE RISKS:

- Emphasis on creating a culture in line with the Premier Way, engaging staff and encouraging respect across all levels of seniority
- People and culture surveys conducted throughout the organisation and issues addressed responsibly
- Established strike contingency planning including ongoing management of buffer inventory levels and replenishments
- Compliance with all labour legislation
- Open communication with the unions and employees and engagement with shop stewards to address concerns
- Offsite monitoring and physical security measures as well as staff training
- Proposals to introduce cashless payment methods are being investigated
- Vehicles operating in identified high risk areas are fitted with cameras, signage and safes
- Reporting processes, dashboards, alerts and automations implemented to reduce the likelihood of a security event
- Engagement with regulatory bodies

## Material risks continued

### MATERIAL RISK **7** ATTRACTION, RETENTION AND DEVELOPMENT OF SKILLS

The talent market within which we operate is extremely competitive. Failure to retain key personnel or to execute on its succession plans, or an inability to recruit additional personnel with the relevant skills and experience, presents a material risk to the business.

#### MITIGATING CONTROLS AGAINST THE RISKS:

- A high-performance culture instilled through the strategic process
- Talent analysis and retention programmes implemented with bi-annual talent reviews
- Market related remuneration structure with external benchmarking for senior executives
- Training and career advancement opportunities provided
- Creative incentives to motivate staff
- Succession planning clearly communicated



## Material risks continued

MATERIAL RISK

8

### SUSTAINABILITY OF MARGINS AND LIQUIDITY

The sustainability of our margins is supported by a number of factors and adverse events may impact margins beyond our control. Premier is dependent on the consistent availability and quality of the essential raw materials we require to manufacture our products. Our two largest raw material inputs are maize and wheat used for milling and baking. Given that the price of these inputs is determined by international pricing mechanisms, global political, social and environmental events beyond Premier's control impact these commodity prices and may result in significant price volatility.

We currently contract in advance locally and globally for the supply of maize and wheat to manage fluctuations, but it would have a materially negative commercial impact if we were unable to secure adequate contracts in future at attractive pricing levels. In addition, any deterioration in the Rand: USD exchange rate impacts the price of wheat and maize and results in other knock-on inflationary price increases. Liquidity pressures as a result of rising input costs therefore also present a material risk.

Other disruptions in the sourcing of raw materials due to factors beyond the Premier's control, such as climate change induced droughts or floods, fluctuating quality, port delays or temporary shortages in the supply of raw materials, cause price volatility and can impact the sustainability of operating margins.

#### OTHER RISKS TO THE SUSTAINABILITY OF MARGINS INCLUDE:

- Growth of dealer owned brands
- Challenges in passing on price increases in a low GDP environment with high levels of unemployment
- Product mix change towards more economical products with lower margins
- Power of retailers
- Sustained competitor activity by large players

#### MITIGATING CONTROLS AGAINST THE RISKS:

- Business strategies in place to manage the impact of external risks and pass on price increases
- Centralised procurement initiatives adopted
- Agreed currency hedging strategies implemented
- Ongoing negotiations with suppliers for cost reduction options
- Acquisitive growth strategy to grow into higher margin categories
- Sustainability initiatives undertaken to reduce waste and unnecessary resource consumption
- Product reformulations
- Product quality auditing of third-party manufacturers undertaken
- Lobbying of regulators



## Material risks continued

MATERIAL RISK

9

### ENVIRONMENTAL SUSTAINABILITY AND CLIMATE CHANGE

Refer to Our planet in the sustainability report on pages 91 to 96.

In order to continue creating value in the long term the business must ensure that its current business practices are sustainable. Climate change is an undeniable reality which is material, complex and challenging to navigate strategically. Global warming manifests and impacts local business negatively in a number of ways. The increasing frequency of natural disasters such as the extensive flooding South Africa has experienced, displacing communities and destroying infrastructure, goes hand in hand with the severe water shortages caused by prolonged drought in other parts of the country.

This extreme volatility in weather patterns, is becoming more frequent on a global level. This could negatively impact the quality and availability of essential raw materials, disrupt distribution and supply chains, damage equipment or reduce productivity which may potentially have a negative impact on our financial performance.

To help mitigate these risks tangible sustainability initiatives are a strategic priority for Premier. Resource conservation, waste and carbon emission reduction and a commitment to support the communities in which we operate, are the focus of our endeavours to manage the wide spectrum of sustainability related risks. Additional risks include reputational damage, the imposition of fines and penalties such as carbon tax, and legal action.

#### MITIGATING CONTROLS AGAINST THE RISKS:

- Appointment of a sustainability executive supported by the Social and Ethics Committee
- Comprehensive ESG strategy and regular Invocoms to monitor progress and concerns
- Development of a business improvement database to monitor the usage of our natural capital
- Determination of achievable sustainability targets and objectives
- Conscious commitment to adhere to relevant SDGs
- Application of the Reduce, Re-use and Recycle philosophy
- Plastic packaging reduction initiatives implemented
- Use of alternative fuels, optimisation of distribution routes, solar installations and waste reduction initiatives in place
- Monitoring of vehicle delivery routes and safe staff access during floods
- Implementation of our ESG strategy to contribute towards the achievement of global sustainability goals



## Material risks continued



### MATERIAL RISK 10 NON-COMPLIANCE WITH VARIOUS LEGISLATIVE REQUIREMENTS

Our facilities and operations are subject to rigorous environmental regulations including pollution control measures or limits for solid and hazardous waste, water discharge and air emissions. Non-compliance with these legislative requirements could result in fines, damages claims or requirements to install or retrofit equipment.

In addition, we are committed to adhering appropriately to the food industry legislation which is subject to extensive regulation and licensing requirements, such as the Consumer Protection Act, labour legislation and health, safety and environmental legislation in order to prevent any risk of non-compliance.

Premier is a member of the Polyolefin Responsibility Organisation NPC (Polyco) and Fibre Circle, organisations that have established and implemented extended producer responsibility schemes to control waste and pollution. It is our intention to adhere to the requirements set out by these organisations to sustainably mitigate and manage the impact we have on the environment. Premier is also registered at the Department of Forestry, Fisheries and the Environment (DFFE).

#### MITIGATING CONTROLS AGAINST THE RISKS:

- Standard operating procedures in place for product recall
- Regular quality audits undertaken at third party manufacturing sites
- Health and safety managers deployed at manufacturing sites
- Assistance given to sites on a continuous basis by corporate risk team
- In-house master installation electrician to ensure standards and COC compliance
- Electricity and fire audits done annually



# 04

## Our Strategy

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## CEO's review



Kobus Gertenbach

### Revenue

**R18.6bn**



### CAPEX

**R635m**

### Meals donated

**c.29m**

*This year we celebrate our 200th anniversary. It's a proud moment for us. Premier is now heading into its third century with extraordinary people and world class facilities making a difference in the everyday lives of its consumers.*

### Overview

The financial year was characterised by a moderation in soft commodity inflation in general, following the exorbitant increases experienced during the prior financial year. However, the “higher for longer” interest rate narrative has continued to surprise markets as financial conditions remain restricted by the central banks. The South African business environment experienced sustained service delivery challenges at the local municipal level, and market participants took a definitive “wait and see” attitude towards the national elections. Premier, with the support of the Board and major shareholders, has continued to stay the course and execute on the strategy communicated extensively during the various investor roadshows leading up to the JSE listing in March 2023.

The benign raw material inflation across Premier's basket of products resulted in a marked slowdown in revenue growth, especially during the second half of the financial year. Coupled with significant advances in operating efficiencies, Premier was able to return operating margins back to longer term averages and report a satisfactory set of financial results. What has seemed at times as swimming against

the current, the leadership team remained committed to the long-term capital investment programme to build and maintain state-of-the-art facilities and operations.

*Premier invested R635 million in its facilities during the year, while generating sufficient organic cash flows to settle a further R916m of capital that was raised to return capital to the existing shareholders prior to the listing.*

Premier's capital expenditure programme has continued to drive an increase in ROIC as the investments delivered returns in excess of the hurdle rates. Major projects for the year included the rebuilding of the Mthatha bakery, the shutdown and commencement of the rebuilding of the Aero-ton bakery, the commissioning of the upgraded wheat mill in Eswatini, various projects to restructure the manufacturing footprint of the two sugar confectionery factories in Ekurhuleni and the onshoring of production capacity at the Lil-Lets factory in eThekweni.

## CEO's review continued

These investments in efficiency and capacity enable us to support our consumers by producing basic foods and products at affordable prices.

In addition to efficiency improvements, maintaining the requisite safety and quality accreditations for products produced on our sites is a critical focus for us. This enables Premier to consistently provide products and services that meet customer and regulatory requirements. All of our wheat and maize mills are FSSC 22000 certified as well as the bakeries and confectionery plants, with the exception of the newly acquired George bakery, which was accredited with a GFSI certification in April 2024. The tampon manufacturing facility in eThekweni is ISO 9001 and British Retail Consortium (BRC) certified. In addition, Premier's risk management team remained focused on maintaining world class health and safety standards throughout the organisation, working towards our customised 6 Star Safety, Health and Environment rating in all our manufacturing and distribution sites. All operations have recorded exceptional compliance records, well above regulatory mandated health and safety regulations.

Offering exceptionally high service levels to the trade, through efficient supply chain management, ensuring on shelf availability and stock pressure, is integral to the success of our business. Our leadership and sales teams have continued to work constructively with our key customers, developing and bolstering our strategic relationships. Premier's marketing, sales and corporate social investment (CSI) initiatives remain closely aligned and coordinated to provide maximum exposure and support in targeted areas, living up to our promise to make a difference in the everyday lives of our consumers.

## Listing

Premier has concluded its first full financial year as a listed entity following Premier's listing on the JSE in March 2023. Extensive preparation work in the run-up to the listing served the business well during the year under review expanding our focus on good corporate governance.

Initial daily trading volumes were constrained by the limited free float of c. 21% in the wake of the listing. Brait successfully completed an accelerated book build and placed a further c.11% of Premier's shares in the market during March 2024. Subsequently, trading volumes in Premier's shares have increased substantially, also paving the way for Premier's possible inclusion in the JSE All Share index at the end of September 2024. Brait agreed to a 3-month lockup period which expired at the end of June 2024.

Premier's market capitalisation has vacillated around R8 billion during the last year, negatively impacted by shareholder overhang and South African macro-economic and political uncertainty, both of which management hopes will subside in the near future.

## Board and governance

Premier's governance structures are compliant with the Companies Act, with an experienced Board and committees comprising the requisite number of non-executive directors. Premier's longstanding Chairman, Corrie Roodt, stepped down from the Chairmanship on 5 September 2023, and resigned from the Board on 31 January 2024. He joined the Premier Board and assumed the Chairmanship more than a decade ago, during a time when Premier's business, operations and financial position was experiencing

significant difficulties. Corrie's leadership and contribution to Premier has been immeasurable, always putting the best interests of Premier first, providing valuable guidance, insight and support as Premier embarked on a 13-year journey to rebuild the business, culminating in the relisting on the JSE. The Premier Board thanks Corrie for his contribution and wishes him all the best for the future. laan van Heerden assumed Chairmanship of the Board upon Corrie's resignation, and we want to congratulate laan with his appointment and look forward to working together to serve the best interests of Premier.

The Board appointed Faith Khanyile as Lead Independent Director with effect from 5 September 2023. The Board also appointed Daan Ferreira as an independent non-executive director of the Board with effect from 12 December 2023 and as a member of the Remuneration and Nomination Committee on 1 February 2024. Daan has held numerous financial and executive roles, where he gained extensive experience in operational and financial management, group accounting and tax matters. He joined Astral Foods Limited in 2001 as group financial manager and in May 2009, he was appointed Chief Financial Officer, a position he occupied until his retirement in February 2023. The Board wishes to congratulate Daan on his appointment to the Board and looks forward to his valuable insight and contribution. Jonathan Matthews has assumed Chairmanship of the Remuneration and Nomination committee.

We wish to thank all the Board members for their valuable contributions in steering Premier through its first year of listing on the JSE. Management appreciates the support of the Board and looks forward to continued engagement to grow Premier's business and drive shareholder returns.

## CEO's review continued

### ESG

Premier continued to invest and execute on its ESG strategy during the past financial year. Earning the right to operate in our communities remains a core part of Premier's go-to market strategy, aligning our sustainability journey with our corporate strategy. We have made good progress during the past year further entrenching our ESG strategy into our business producing tangible outcomes.

*“We've invested significantly into our top 400 leaders who are all working together with a common purpose. This is a major factor in our ability to unlock the value we continue to create for our people, communities and shareholders.”*

Supporting our philosophy of *Growing Together* and in line with our focus on education, Premier remains committed to the upliftment of our people. Over the past ten years, we have invested approximately R180 million of direct funding into youth development and training opportunities for our employees. 94 CEO bursaries have been awarded to children of employees and 275 unemployed disabled youths have been empowered through various learnership programmes. Enabling girls to stay at school while menstruating is a priority for our business, promoting gender equality through education. This vision has inspired the donation of over 660 thousand sanitary pads over the last two years, enabling disadvantaged young girls to remain in school whilst menstruating. We are now in the second year of our Enterprise Development initiative, which continues to flourish, providing over 128 jobs in bakery distribution and empowering 78 entrepreneurs.

Throughout the year, we maintained our partnerships with non-profit organisations assisting with product donations of more than two million loaves and over 800 tonnes of maize and wheat together providing approximately 29 million meals which were distributed to communities in need.

Our solar installations, focus on logistics optimisation and waste reduction in both the manufacture and distribution of our products, continue to reduce our environmental footprint and provide essential cost savings. Collaborative engagement with key individuals in each sphere of government is ongoing, ensuring the provision of the necessary services and infrastructure we require as a business. We look forward to engaging with the new administration post the national and provincial elections.

### Outlook

Post year-end Premier concluded the acquisition of a 30% interest in Goldkeys, a family owned and operated local rice business located in KwaZulu-Natal. Premier teamed up with Goldkeys to assume key account management, merchandising and distribution responsibility for the Goldkeys' range of rice products in May 2023. Premier is excited about the opportunity to collaborate with Goldkeys to enter the rice category and look forward to a mutually beneficial partnership to build a significant rice business across Southern Africa.

Soft commodity price inflation has subsided to a large extent, paving the way for the continuance of the benign food inflation we experienced over the past year. The combination of potential interest rate reductions and the lower debt levels is expected to support earnings growth in the next financial year. Capital expenditure will continue to ramp up as the major work to rebuild the Aero-ton bakery gathers momentum. In line with our philosophy of doing the right thing, we will maintain support of our people and communities in need through donations of product and financial assistance, continue to identify ways of reducing our carbon footprint and of eliminating waste in the manufacture and distribution of our products.

### Our people

A big thank you to all the leaders and front-line workers in Premier that have engaged tirelessly to be brilliant at the basics, grow together as a team, earn the right to operate in our communities and deliver our growth plans. The commitment shown to make Premier an inclusive, equitable environment where our diverse talent is made to feel that they belong, will remain more important than ever.

**JJ Gertenbach**  
Chief Executive Officer

# Our executive committee



**Kobus Gertenbach (52)**

Chief Executive Officer

*Qualifications: BCompt (Honours); MCom; CA(SA)*

**Date of appointment:** 1 April 2021 (joined Premier on 1 May 2011)



**Fritz Grobbelaar (46)**

Chief Financial Officer

*Qualifications: BCompt (Honours); CA(SA)*

**Date of appointment:** 2 August 2021



**Gavin Campbell (56)**

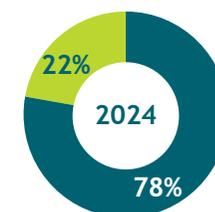
Managing Executive: Milling, Groceries and Africa

*Qualifications: IMM (Dip); MBA*

**Date of appointment:** 2 May 2013

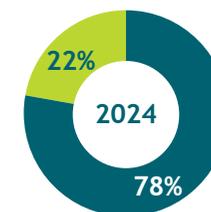
## EXCO COMPOSITION

### Gender



■ Male  
■ Female

### Race



■ White  
■ Black (including African, Indian and Coloured)

## TENURE



**Rolf Hartmann (50)**

Managing Executive: Commercial

*Qualifications: BAcc (Honours); CA(SA)*

**Date of appointment:** 16 October 2023 (joined Premier Board 27 July 2007)



**Siobhan O'Sullivan (59)**

Managing Executive: HPC, Group Strategy and Marketing

*Qualifications: BCom Business Economics (Honours); MBA*

**Date of appointment:** 1 November 2013



**Danie Simpson (59)**

Managing Executive: Bakeries

*Qualifications: N.Dip Manufacturing Management; EDP*

**Date of appointment:** 1 November 2012



**Julian Singonzo (55)**

Managing Executive: Environmental, Social and Regulatory

*Qualifications: Nursing Diploma; Bachelor Personnel Leadership (Honours); MBA (Entrepreneurship); EDP*

**Date of appointment:** 1 October 2021 (joined Premier on 5 March 2013)



**Anastasia Sodalay (46)**

Managing Executive: Human Resources

*Qualifications: BSc*

**Date of appointment:** 1 May 2021



**Arnou van der Schyf (52)**

Managing Executive: Group Sales

*Qualifications: BCom*

**Date of appointment:** 1 August 2011



# Our strategy

In 2011, Premier strategically repositioned itself, expanding from a traditional focus on bread, wheat and maize, into a broader portfolio of product categories transforming into one of South Africa's leading CPG packaged goods platforms with a built-in capability to scale further.

## Our strategic framework

Our growth strategy has remained steadfast for more than a decade and has enabled us to create long-term value through efficiencies, agile execution and systematic focus on being the lowest cost producer in the Millbake category.

In 2021, the strategy was reviewed to encourage a common understanding and commitment across the business to be inclusive of our >8 600 permanent and contracted employees.

*“This strategy has crafted the direction to position Premier at the forefront as one of South Africa’s pre-eminent CPG companies”* Kobus Gertenbach, CEO.

Our philosophy of doing what is right has long been entrenched in our business approach. To formalise our commitment to good governance, our corporate strategy is aligned and integrated with our sustainability vision providing the guidance to deliver on our purpose and fulfill our responsibility to enhance food security, alleviate period poverty and to respect and protect our society together with the planet.

Our commitment to our **PURPOSE** of ensuring that our products and people make a difference in the everyday lives of our consumers has enabled Premier, our people, our suppliers, our customers and consumers, our brands and our communities to **GROW TOGETHER.**

Our strategic framework comprises four key interconnected pillars:



# How we deliver on our strategy

GROW  
TOGETHER  
TO BE  
THE BEST



**Growing together to be the best** is our commitment to our employees who are the heart of our business, and in turn their commitment to Premier is enabled through the Premier Way.

## WE DELIVER ON THIS STRATEGIC INTENTION BY:

- Building an inclusive and diverse workplace where all employees have a sense of belonging
- Upskilling our employees to develop competence in all roles, build critical skills and enable personal and professional growth
- Transforming our business through relevant B-BBEE initiatives
- Enhancing the employee experience to become the employer of choice
- Assuring bench strength of key positions



BE  
BRILLIANT  
AT THE  
BASICS



**Being brilliant at the basics** in all functions and operations across the business is a strategic priority enabling our high performance growth culture.

## WE DELIVER ON THIS STRATEGIC INTENTION BY:

- Practicing continuous improvement to be the lowest cost producer
- Pursuing best in class execution
- Pursuing relentless focus on quality
- Enabling fit for purpose products, processes and cross-functional efficiencies
- Offering a value for money proposition - right quality and price to meet shopper needs
- Ensuring timeous and complete availability (on-shelf and in the right outlets)
- Remaining agile and relevant



## How we deliver on our strategy continued

EARN THE  
RIGHT TO  
OPERATE  
IN OUR  
COMMUNITIES



Unlocking future growth to deliver attractive shareholder returns is a strategic imperative which we strive to achieve through investment in our facilities, our brands, in innovation and acquisitions. Several growth vectors have been identified to bolster our leading market position and support future growth.

### WE DELIVER ON THIS STRATEGIC INTENTION BY:

- Portfolio optimisation
  - Growing our core business categories through investment in new technologies and expansionary capex
  - Leveraging our capabilities and strategic brands through innovation
  - Optimising our routes to market to build scale and efficiencies
  - Expanding our product basket through transformational, synergistic acquisition opportunities
  - Maximising internal efficiencies and capacity utilisation
- Market position
  - Achieving top 3 in respective category
  - Achieving top 2 in respective channel or region
  - Achieving >20% category share
- Geography
  - Growing our position nationally with depth of distribution and market penetration
- Expanding into the SADC region or the rest of Africa
- Expanding into additional investment geographies via exports or distributors and third party suppliers
- Synergies and benefits
  - Leveraging current warehousing and ambient distribution route to market
  - Leveraging sales and merchandising for cost savings and volume growth
  - Providing critical mass to the informal route to market
  - Ensuring procurement benefits as a result of scale
  - Optimising known technologies and processes
  - Ensuring value creation through category growth, market penetration and innovation

UNLOCK  
FUTURE  
GROWTH



Earning the right to operate in our communities supports our purpose and our sustainability vision through focus on our people, our products, our planet and our communities.

### WE DELIVER ON THIS STRATEGIC INTENTION BY:

- Prioritising the safety and wellbeing of our employees
- Providing safe, quality products that contribute to the nourishment and upliftment of society through compliance with relevant regulations and audits; and are widely distributed providing access to all
- Doing what is right, every day in all aspects of our business
- Limiting and mitigating our impact on the planet throughout our value chain with a focus on reducing energy, water and waste
- Contributing to social upliftment in the communities in which we operate through product donations and other community engagement initiatives
- Maintaining relationships with relevant industry, regulatory and governing bodies

## How we deliver on our strategy continued

OUR CORPORATE SCORECARD CLEARLY DEFINES THE PERFORMANCE MEASURES AGAINST WHICH WE BENCHMARK OUR STRATEGIC SUCCESSES.



### Delivered attractive investor returns

- Achieved **ROIC** in excess of **15%**
- Core business growth achieved with compound annual **growth in EBITDA** and marginal contribution exceeding targets
- **EBITDA margin** enhancement
- Maintained focus on **lowest cost producer** initiatives through continuous improvement projects, facilities upgrades and responsible resource allocation
- Consistent application of **procurement policy** protecting margins



### Retained strategic focus on building and executing acquisition pipeline

- **Bolt-on** acquisitions in rice category and specialised skin care
- **R635 million of capex** invested into additional site upgrades
- **R700 million of capex** prioritised for further growth projects, for each of the next **two years**, as well as continuous improvement opportunities supporting long-term strategic growth plans
- Realisation of **projected synergies** and strategy of category growth using cross functional post-acquisition integration skills for acquisitions
- Appointed a commercial executive responsible for identifying and executing on value accretive acquisitions



### Focus on fit for purpose products and services

- Consistent **product quality** and **delivery service**
- Variety of pack sizes to appeal to and support **price conscious consumers**



### Continued to protect our employees and consumers by creating a culture of safety

- A total of **90%** of our sites have achieved a **5 out of 6 Star** Health, Safety and Environment rating using our customised rating system\*
- Improved Disabling Injury Frequency Rate (DIFR) and achieving target

\* Refer to page 86 of the sustainability report for more detail.

## How we deliver on our strategy continued

OUR CORPORATE SCORECARD CLEARLY DEFINES THE PERFORMANCE MEASURES AGAINST WHICH WE BENCHMARK OUR STRATEGIC SUCCESSES.



### Ongoing initiatives to reduce our impact on the planet

-  **Cleaner energy** initiatives helping reduce carbon emissions
  - Natural gas at select sites
  - Electric and gas powered vehicle trials
  - Functional environmental **database** to manage and improve Scope 1 and 2 emission intensities
-  Optimisation of our packaging footprint
  - **100%** of our bread bags are **recyclable** and **96%** of total packaging material
  - Further plastic savings achieved through packaging material modifications
-  Signatory to two **Extended Producer Responsibility** programmes
  - PolyCo and Fibre Circle
-  Continuous review and updates of **on-pack labelling** in-line with regulations to provide transparency and build trust



### Driven corporate, site and brand initiatives to build brand equity and market share

-  Sustainable **Enterprise Development** initiatives gaining traction supporting communities and promoting entrepreneurship aligned with strategy
-  **R53 million** spent on product donations alleviating hunger and period poverty



### Living and leading by the Premier Way every day

-  Diversity, equity, inclusivity and belonging (**DEIB**) culture workshops to build trust, mutual respect and a sense of belonging
-  Long-term excellence in developing competent, engaged human capital



### Commitment to socio-economic transformation, building diversity, equity and inclusivity

-  Appropriate action plans per operational site and cross-functional department
-  Maintained our **Level 4 B-BBEE rating**
-  Active **talent pipeline** for critical and scarce skills with a strong focus on inclusivity and diversity
-  Companywide roll out of **DEIB** culture workshops





## 05

## Our Performance

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## CFO's review



Fritz Grobbelaar

EBITDA

**R2 053m**



Normalised HEPS

**744 cents**



ROIC

**22.4%**



*Premier maintained an unrelenting focus on optimising operational efficiencies, margin management and upskilling our people, paving the way for the Group's success.*

### Overview

The operating landscape remained challenging during the year, subjecting the economy to deteriorating municipal infrastructure, port congestion and the overhang of political uncertainty in the lead up to the May election. Although the debilitating effect of loadshedding was somewhat diminished in the second half of the year, high interest rates and unemployment levels continued to negatively impact the consumer, reducing buying power. Notwithstanding these constraints, Premier managed to deliver on its investment case with resilience and commitment to its purpose.

Maintaining focus on being the lowest cost producer is a key element of our corporate strategy. Investment in our infrastructure during the year, contributing to the R6 billion of capital expenditure (capex) invested since 2011, confirmed our commitment to that strategy, helping deliver the best-in-class efficiencies and execution required to extract enhanced returns for our shareholders.

In parallel, the ongoing investment in our people equipped the team to perform with confidence and a commitment to excellence.

Aligning with our strategic imperative to unlock future growth, Premier entered the rice category early in the year, teaming up with Goldkeys International (Pty) Ltd to distribute the Golden Delight range of rice products nationally. The anticipated benefits of the partnership, including leveraging Premier's customer relationships and distribution network to provide sales, merchandising and distribution services to Goldkeys, are coming to fruition. The Sunblest pasta range was launched during the first half of the year into select channels in the South African market after completion of the pasta manufacturing plant rebuild in Mozambique. Premier also concluded the acquisition of a 35% stake in a UK-based specialist skincare treatment range, under the brand Science of Skin (SOS), with an exclusive sales and distribution agreement for existing Lil-Lets UK markets.

## CFO's review continued

### Financial review

		2024	2023	% var
Revenue	R'm	18 587	17 938	3.6
EBITDA	R'm	2 053	1 731	18.6
EBITDA margin	%	11.0	9.6	140 bps
Operating profit	R'm	1 633	1 292	26.4
Operating profit margin	%	8.8	7.2	160 bps
Net finance costs	R'm	367	289	26.9
Headline earnings	R'm	959	798	20.1
Headline earnings per share	cents	744	634	17.4
Normalised headline earnings	R'm	959	695	37.9
Normalised headline earnings per share	cents	744	552	34.8
Capital expenditure*	R'm	635	473	34.3
Group leverage ratio		0.9x	1.7x	
Dividend declared	cps	220	-	-
Return on invested capital (ROIC)	%	22.4	19.1	330 bps
Return on equity (ROE)	%	30.9	31.5	(60) bps
Cash generated by operations	R'm	2 391	1 545	54.8

\* Capital expenditure including capital expenditure that was prepaid to suppliers for the upgrade of the Aeroton bakery.

As anticipated, the growth in the Group's revenue moderated to 3.6%, bringing revenue up to R18.6 billion. Both the Millbake and the Groceries and International categories contributed to the growth, increasing by 3.7% and 3.3% respectively. The softening to single digit revenue growth was expected given the impact of significant soft commodity inflation in the prior period and its subsequent stabilisation. The reduced loadshedding regime during the year has been a welcome relief for the economy and the consumer. The costs incurred for the year, which are not considered to be material to the business, were approximately R27 million, down from R32 million last year.

Earnings before finance income and costs, tax, depreciation and amortisation (EBITDA) increased by 18.6% to R2.1 billion, underpinned by strong results in both categories. Millbake EBITDA grew by 20.6%, while the Groceries and International EBITDA grew by 3.7%. The Group's EBITDA margin of 11.0% improved by 140 basis points compared to the prior year level of 9.6%.

Operating profit increased by 26.4% to R1.6 billion. The operating profit margin improved by 160 basis points to 8.8% when compared to last year.

Net finance costs increased by 26.9% to R367 million as a result of a higher weighted average interest rate in the current year of 9.65% compared to 7.51% in the prior year. This was partially offset by interest savings from three tranches of voluntary debt repayments of R150 million, R100 million and R456 million in June 2023, September 2023 and December 2023, respectively. The accrued withholding tax on preference dividends of R43 million, which was reversed to profit during the prior year, also contributed to the increase in net finance costs. In addition, there was a decrease in the foreign exchange gains on cash and intergroup loans of a funding nature of R57 million as a result of the conversion of the intergroup loan into equity on 30 March 2023.

The effective tax rate for the year increased to 27.2% from 24.9%. The effective tax rate in the prior year was lower due to exempt income relating to withholding tax on preference dividends that was released to profit.

Net profit increased by 15.8% to R921 million with a margin of 5.0%, an improvement of 60 basis points over the prior year.

Earnings per share (EPS) increased by 13.3% to 715 cents and headline earnings per share (HEPS) increased by 17.4% to 744 cents. Normalised HEPS increased by 34.8% to 744 cents. There was no difference between HEPS and normalised HEPS for the current year. Normalised HEPS in the prior year was adjusted for foreign exchange gains on cash and loans of a funding nature of R60 million (net of tax) and by the reversal of accrued withholding tax on preference dividends of R43 million to profit on the conversion of the redeemable preference shares to ordinary shares, both of which were once off in nature. It is the Board's opinion that normalised HEPS provides shareholders with the most consistent perspective on Premier's performance.

## CFO's review continued

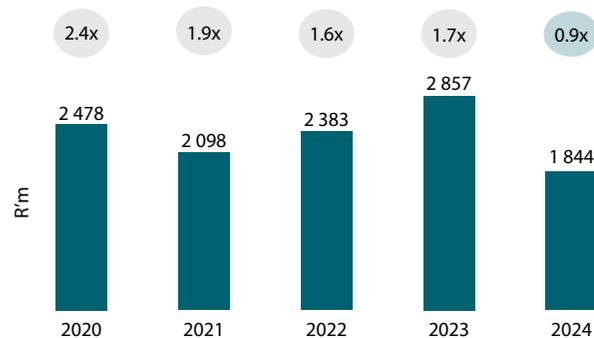
Cash generated from operations increased by 54.8% to R2.4 billion, underpinned by the growth in the Group's EBITDA and supported by well managed working capital with improved debtor collections and lower inventory balances at 31 March 2024.

Cash outflows from investing activities increased by 37.7% to R692 million mainly attributable to capex, including prepaid capex on the Aero-ton bakery project. The Group acquired a 35% shareholding in a skin care business in the UK for R7 million during the year.

The cash outflow from financing facilities of R992 million mainly relates to repayment of the bank overdraft facility of R210 million and capital repayments on borrowings of R728 million, of which R706 million were voluntary capital repayments made during the year. This voluntary capital repayment remains available to drawdown for future funding needs.

Other material cash flows during the year include net interest paid of R370 million and tax paid of R326 million.

### Net debt evolution



The Group's net debt (including lease liabilities, but excluding the trade financing facility) on 31 March 2024 was R1.8 billion translating into a leverage ratio of 0.9x (2023: 1.7x) for the Group. The cash generated by the Group has enabled substantial deleveraging, reducing the leverage ratio to a level that is significantly lower than historical levels.

Property, plant and equipment increased by R127 million, mainly attributable to additions of R474 million and exchange translation movement of R18 million, which was partially offset by depreciation charges of R310 million and disposals of R55 million. A further R161 million of capex was prepaid to suppliers for the upgrade of Aero-ton bakery bringing total capex to R635 million. Capex to revenue, including prepayments, was 3.4% (2023: 2.6%). Investment to maintain best-in-class efficiencies remains integral to drive growth and create opportunities for expansion. Significant projects undertaken during the year include completion of the upgrade of the Eswatini Wheat Mill and the biscuit line in Mozambique, site optimisation at the HPC manufacturing facility and upgrades to the capacity of tampon manufacturing in eThek-wini. The Mthatha and George bakeries underwent refurbishment to achieve capacity expansion, while the upgrade of Aero-ton bakery is in progress. The Capex programme is expected to average R700 million per year for the 2025 and 2026 financial years.

## Segmental review

### MILLBAKE\*

		2024	2023	%
Revenue	R'm	15 526	14 975	3.7
EBITDA	R'm	1 966	1 630	20.6
EBITDA margin	%	12.7	10.9	180 bps
Capital expenditure	R'm	502	391	28.4

\* Revenue and EBITDA for FY2023 have been restated to reflect the reallocation of Nutritional Beverages from Groceries and International to Millbake. Revenue was restated by R91 million and EBITDA by R298 000.

The Millbake division continued to deliver pleasing results for the year ended 31 March 2024. Revenue increased by 3.7% to R15.5 billion and EBITDA increased by 20.6% to R2.0 billion. The EBITDA margin of 12.7% improved by 180 basis points compared to last year. The moderating of revenue growth was due largely to soft commodity prices subsiding during the year and the stabilisation of global volatility, coupled with a highly productive South African maize crop in 2023, helping alleviate food inflation for consumers.

The improvement in EBITDA was driven by a resolute focus on efficiencies, margin management and service level excellence. Site efficiencies attained through upgrades of several bakeries and wheat mills have yielded positive results improving the quality and consistency of our premium Millbake products, most notably in the inland region. The Aero-ton bakery, which was closed during the year for a scheduled upgrade, is anticipated to be fully operational in the first half of FY2026. The bakery will be renovated to match the standard of the coastal sites and

## CFO's review continued

the new Pretoria site. The new mega-bakery in Pretoria is bedded down and delivering anticipated efficiencies. Agile procurement, to mitigate wheat import delays as a result of the port congestion, was critical in ensuring that optimal service levels were provided to the customer.

Despite the persistent burdens of high interest rates and unemployment levels, which continue to negatively impact disposable income, Premier remains well positioned to service low-income consumers with its broad product offering in the staples basket. Innovative product launches aim to support our consumer by improving accessibility and affordability.

### GROCERIES AND INTERNATIONAL\*

		2024	2023	%
Revenue	R'm	3 061	2 963	3.3
EBITDA	R'm	214	206	3.7
EBITDA margin	%	7.0	7.0	-
Capital expenditure	R'm	121	73	65.8

\* Revenue and EBITDA for FY2023 have been restated to reflect the reallocation of Nutritional Beverages from Groceries and International to Millbake. Revenue was restated by R91 million and EBITDA by R298 000.

The Groceries and International division delivered an encouraging performance for the year ended 31 March 2024. The division's revenue increased by 3.3% to R3.1 billion and EBITDA increased by 3.7% to R214 million. The EBITDA margin was maintained at 7.0%.

The Sugar Confectionery category achieved strong growth for the full year, with momentum building in the second half. Both revenue and EBITDA were up for the year with solid EBITDA margin improvements. The performance was driven by a combination of improved efficiencies, product mix and tight margin management.

Optimisation and functionality of the candy footprint remained critical and resulted in enhanced efficiencies across the sites and established the operational standards at Mister Sweet that are characteristic of the Group. Cost inflation in sugar, chocolate and packaging material was offset through price increases. Private label in Sugar Confectionery has shown promising progress with new launches undertaken during the year. Superior service levels have sustained this growth and reinforced strategic relationships with our key retailer partners. The new Manhattan liquorice line is anticipated to be operational in FY2025.

The HPC category once again delivered pleasing results, with increases in both revenue and EBITDA. Additional capacity has been installed at the eThekweni facility, prompted by growth in volumes, and has enabled the onshoring of supply to the UK market. The new HPC supply chain strategy focuses on becoming the best cost supplier out of the eThekweni facility as well as driving market share and brand equity for the Lil-Lets and Dove brands through in-market execution. Revenue growth in the UK market has been stimulated by growth in the eCommerce channel, but local port constraints early in 2024 impacted available export volumes of HPC products. This situation has eased

and is anticipated to recover. Differentiated ranges for entry into export markets to leverage the UK infrastructure, drive international growth and enter new channels is an important element of the UK HPC strategy.

The Group's business division in Mozambique, CIM, continues to face headwinds with both revenue and EBITDA down for the year. Several macro-economic constraints exist in Mozambique with historically high food inflation and widespread poverty impacting household consumption. The economy gained some momentum in 2023, growing at 5%, largely driven by the start of the offshore Liquefied Natural Gas (LNG) project, and lower levels of inflation are forecast. This is expected to have a knock-on effect boosting growth in mining, agriculture and gas exports. The CIM biscuit line and pasta plant upgrades have recently been completed and supply of selected products has been initiated into the SADC region. The business remains well positioned to capitalise on the economic recovery through established efficiencies in manufacturing capability and an extensive product range.

## ROIC

ROIC is a robust measure of profitability and efficiency of capital allocation that management utilises to measure performance. Premier's ROIC for the year increased by 330 basis points on the prior year to 22.4%. ROIC is calculated by using net operating profit after tax (including net profit in equity-accounted investments) divided by average invested capital for the year which has been reduced for the historical revaluation of intangibles of R722 million.

## CFO's review continued

R'm	2024	2023	2022
Equity	(4 194)	(3 210)	5
Redeemable preference shares	-	-	(1 790)
Loan from shareholder	-	-	(1 492)
Adjustment: Revaluation of internally generated intangibles	722	722	722
Adjusted equity	(3 472)	(2 488)	(2 555)
Net debt	(1 844)	(2 857)	(2 383)
Adjustment: Capital projects not yet commissioned	-	-	411
Adjusted invested capital - current year	(5 316)	(5 345)	(4 527)
Adjusted invested capital - prior year	(5 345)	(4 527)	(4 936)
Average invested capital	(5 331)	(4 936)	(4 936)
Operating profit	1 633	1 292	943
Operating profit (1 - t)	1 192	943	943
Share of net profit in equity-accounted investment	-	-	-
Net operating profit after tax (incl. net profit from equity-accounted investment)	1 192	943	943
Return on invested capital	22.4%	19.1%	19.1%

ROE decreased by 60 basis points to 30.9%. ROE is calculated using net profit attributable to the owners of the Company divided by equity reduced by the historical revaluation of intangibles.

### Dividends

Premier is pleased to announce that a final gross dividend of 220 cents per share has been declared out of the Company's reserves in respect of both the ordinary shares of no-par value and the unlisted "A" and "A1" ordinary shares of no par-value, for the year ended 31 March 2024.

Cash flows over FY2024 remained ahead of expectations, and the Company has shown strong deleveraging of the balance sheet ahead of initial guidance. Premier continues to maintain appropriate cash reserves to execute on committed capital requirements, as well as to retain flexibility to assess organic and inorganic growth opportunities as they may arise. Furthermore, the Board is satisfied that the Company is solvent and liquid, and that it has sufficient capital and reserves after the payment of the final dividend, to support its operations for the foreseeable future.

For FY2025, as part of the 30-60% targeted pay-out ratio, Premier will consider a combination of ordinary dividends, special dividends and share buybacks in an ongoing commitment to total shareholder returns in line with expectations. Any share buyback will be executed with consideration to pricing and liquidity parameters.

### Acquisition after year-end

Premier acquired a 30% shareholding in Goldkeys with effect 3 June 2024. The investment builds on the relationship that commenced in May 2023, when Premier entered into a Sales, Merchandising and Route to Market Services Agreement with Goldkeys to manage their sales function to assist them in building its brands and sales outside of KwaZulu-Natal.

Goldkeys is a rice distributor based in KwaZulu-Natal that was founded in 1994 and is one of the largest rice importers into South Africa. It supplies branded Thai and Indian sourced rice under its brands "Golden Delight", "Golden Pride" and "Light & Right", as well as house brands to a number of South Africa retailers and independent wholesalers. Goldkeys is a growing business and for the month of February 2024, its "Golden Delight" brand achieved the No. 2 national market share by volume

(as measured by NielsenIQ). The investment is aligned with Premier's strategy to grow its branded product portfolio. Rice complements Premier's staple foods basket of bread, maize and wheat products, offering synergies along the value chain. The investment in Goldkeys will benefit Premier's existing rice operations outside South Africa where it sources rice for sale under its own brands. Premier settled the purchase consideration of R313.6 million in cash on 3 June 2024 and has appointed representatives to the Board of directors of Goldkeys. The investment in Goldkeys will be treated as an associate and equity accounted for.

### Outlook

Premier continues to execute on the business strategy articulated in the Prelisting Statement, retaining focus on efficiencies and agile execution. Lingering volatility remains, impacting soft commodity prices, and these inflationary pressures are expected to sustain revenue growth in the coming year. Operational efficiencies, exhibited throughout the business, will support the continuation of margins experienced during the past year. From a capital projects perspective, the refurbishment of the Aero-ton bakery will remain the primary focus for the year, building on our strategy to leverage our infrastructure and develop our capabilities to drive growth.

#### F Grobbelaar

Chief Financial Officer

# Sustainability report



**“Doing what is right”**

*is the premise of our business philosophy, the Premier Way*

In building a resilient and sustainable business, we acknowledge that we have a long-term responsibility to care for and protect our people, our communities and the environment in which we operate. Where possible, we aim to minimise and mitigate any negative impact our activities may have so as not to compromise future generations, whilst maintaining focus on business continuity and food security. The sustainability strategy we have developed is intrinsically linked to our corporate strategy and aims to embed sustainable thinking and practices companywide.

This year Premier celebrates its 200th birthday, a proud legacy of supporting our people and our communities while building iconic brands. Our corporate social responsibility programmes continue to make a difference to the lives of many focusing on nutrition, education and community upliftment. Through our food donations, we alleviate hunger and provide much needed disaster relief nutrition and our menstrual hygiene product donations have improved the lives and dignity of many women and schoolgirls.



From an environmental perspective, the impact of climate change has become an undeniable reality and pressure on the planet’s finite resources continues to intensify. Stakeholder expectations for companies to respond appropriately continue to rise and growth cannot be relentlessly pursued without due consideration of its impact. Companies face significant challenges in meeting these demands from diverse stakeholders. Globally, consumers are requiring brands to display focus on sustainability matters to justify continued customer loyalty and premium pricing. Most South African consumers are primarily focused on immediate wellbeing but there is an increased awareness of the importance of ESG matters. We have committed to address our environmental footprint by identifying appropriate continuous improvement projects and aligning our progress with the relevant UN SDGs.

This sustainability report has been prepared with reference to the recommended sustainability disclosures outlined in the JSE Sustainability Disclosure Guidance issued in June 2022.

Our environmental database assists us in collating accurate reporting information which will provide the baseline data on which we can develop meaningful sustainability targets. These initiatives will improve Premier’s resilience and agility and further strengthen our stakeholder relationships into the future.

*“Earning the right to operate in our communities by being mindful of our responsibility to society and the planet”*

## Sustainability report continued

### Our sustainability governance

The Group Social and Ethics Committee has an independent role with accountability to both the Board and the shareholders.

The Committee is mandated to assist with the governance of sustainability. It is required to monitor all ESG matters, including any sustainability risks relating to the Group, to ensure that the Group's activities support its intent to be a responsible corporate citizen and to assist in setting the tone for an ethical organisational culture. The Committee is responsible for monitoring the Group's standing in terms of the Companies Act, the United Nations Global Compact Principles, the Organisation of Economic Co-operation and Development's recommendations regarding corruption, which includes the International Labour Organisation's protocol on decent work and working conditions. In addition, it monitors the Group's adherence to the Employment Equity Act and to the Broad-Based Black Economic Empowerment Act.

During the year, the Committee met twice to review the ESG policy and to ensure relevance to the organisation and applicable legal requirements. Sustainability performance targets are included in the CEO and the ESG executive's scorecards, and have been cascaded down throughout the business to establish and maintain a companywide strategic focus on sustainability measures and demonstrate our commitment to making a positive impact.

### Our sustainability strategy

Through consultation with our business unit leaders, we developed a sustainability strategy which hinges on **four pillars**. These are detailed on the following pages:

OUR PEOPLE	OUR PRODUCTS	OUR PLANET	OUR COMMUNITIES
<p>1 </p> 	<p>2 </p> 	<p>3 </p> 	<p>4 </p> 

## Sustainability report continued

### OUR PEOPLE



#### Full and productive employment

- Continued investment in skills development with a focus on:
  - Compliance training to ensure that our people are operating within required boundaries as determined by relevant rules and regulations
  - Critical and scarce skills development within our operating divisions
  - Leadership development across all levels in the organisation
  - High focus on supervisory and junior management development
- Proactive on-the job training, mentorship and coaching for performance improvement



#### Safety and compliance

- To provide a safe and secure working environment for all our employees, we focus on a variety of developmental, communication and compliance aspects
  - Ensuring compliance in terms of legal certification through continued skilling and upskilling as per legal requirements
  - Developing a safety culture
  - Annual health checks for all employees
  - Yearly OHS induction to ensure compliance and understanding



#### Diversity

- To promote diversity and inclusiveness within our business we:
  - Ensure all our policies and practices are fair, compliant and acceptable
  - Encourage inclusion and diversity across all of our teams and the commitment towards each other



#### Wellbeing

- To promote healthier lifestyles amongst all our employees

### OUR PRODUCTS



#### Safety and security

- To ensure all products produced in our facilities and marketed under our brands do no harm or place employees and/or consumers at risk by:
  - Compliance certification/accreditations/regulations including on-pack claims where relevant (vegan, Halaal, organic, etc.)
  - Transparency on ingredients for consumer protection and information
  - A commitment to quality
  - Ensure equity, inclusiveness and protection in marketing communications personal information



#### Availability and accessibility

- To improve access to nutritional food products by providing consumers with a choice of products, available in diverse trade outlets at affordable price points, and fortified as per regulations
- To improve access to sanitary protection by providing consumers with a range of products, available in diverse trade outlets at affordable price points
- Constantly improve our product offering to meet evolving consumer needs

## Sustainability report continued

### OUR PLANET



#### Climate change

- Recognising that climate change is a global challenge in scale, urgency and complexity of action, Premier will work to:
  - Reduce the impact of our operations on climate change through promotion of cleaner business practices
  - Strengthen our adaption and resilience to climate change induced impacts on our operations, energy and raw material availability
  - Support a just transition to a net zero economy by continuing to create decent jobs and skills development



#### Energy

- To reduce the energy required to produce and distribute our products whilst continuing to grow our business by investing in improved and/or alternative energy sources such as: solar power, alternative fuels, new transport fleets, improved route management and improved technologies



#### Water

- Premier recognises that water is a scarce and vital resource in South Africa
- We will continue to pursue projects that reduce the amount of water used to produce our products and promote the use of waste and/or recycled water where required
- Educate our employees and communities on the need to be Water Wise



#### Waste

- We support a Reduce, Re-use and Recycle philosophy in our manufacturing facilities and offices



#### Sourcing

- To promote a more sustainable sourcing policy not only in terms of ingredients and materials, but also factoring in human rights, gender, diversity and inclusion

### OUR COMMUNITIES



#### Nutrition

- To promote healthy nutrition and health awareness amongst our consumers through on pack communication, food donation and other relevant outreach programmes in targeted communities
- We continuously strive to provide a choice of nourishing products to add value to consumers' lives



#### Education

- Premier believes that the future of our country is dependent on access to, and improved standards of education
  - Through our bursaries, graduate internships and learnerships, we aim to assist and develop unemployed youth and people with disabilities
  - Through our brands, we will continue to support relevant initiatives that keep children at school and ensure that they benefit to the best of their abilities

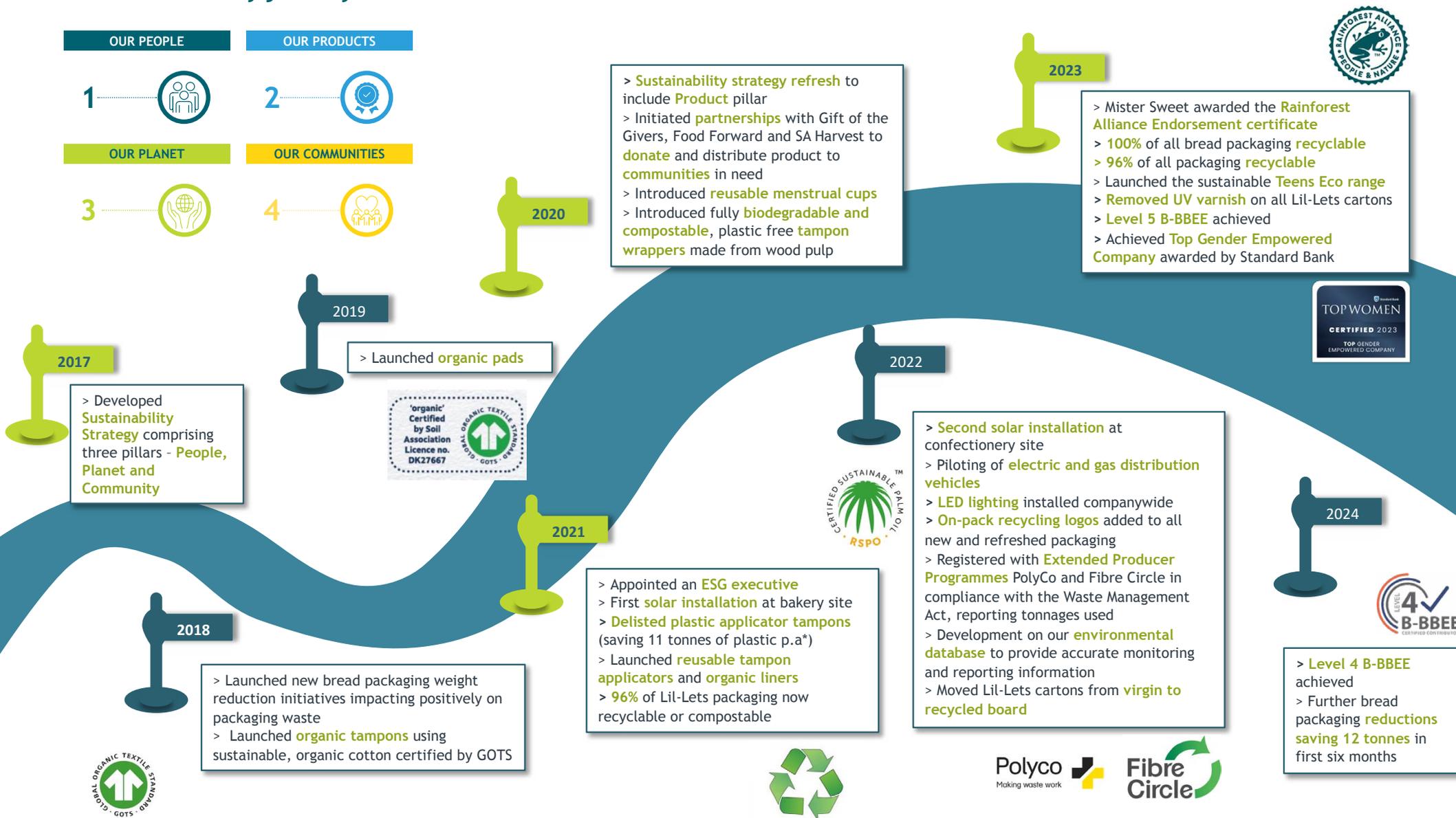


#### Community

- Premier will endeavour to empower the people in our communities to grow themselves and their communities via relevant social investment initiatives and partnerships

## Sustainability report continued

### Our sustainability journey



\* Management estimates

## Sustainability report continued

# 1

At Premier we strive for excellence and that ambition applies most significantly to our biggest asset, our people.

The continued growth and development of our workforce is essential to the sustainable economic growth of our business. The Premier Way defines our strategy execution model focusing on the processes, structures and principles that guide and develop our culture of high-performance. It defines the way we work, and how we manage and protect our people to develop a purpose driven culture of inclusivity, transparency and an ambition to succeed. Through the application of our various employment governance policies, we aim to adhere to fair and equitable employment practices supporting gender equality, diversity and inclusivity. South Africa has one of the highest and most enduring global inequality rates which has been perpetuated by low economic growth and low intergenerational mobility. Investment in skills development and promoting diversity is a national imperative to help alleviate this inequality and narrow the disproportionate income gaps. In support of this, Premier seeks to make a difference in the lives of its people through upskilling and providing growth opportunities with the potential to change lives permanently through the provision of safe, decent and fulfilling work.

## OUR PEOPLE

The relevant UN SDGs that we have chosen to target for this pillar of the sustainability vision are the following:



### STRATEGIC MOTIVATION

#### QUALITY EDUCATION

- We have an ongoing focus on skills and leadership development, mentorship and coaching, providing learning opportunities for all.
- We support girls remaining in school whilst menstruating.



### HOW WE MADE A DIFFERENCE

- Employee training
- Premier Leadership Academy
- CEO Bursary Scheme
- Unemployed Disabled Learnership programmes
- Apprenticeships and internships
- Lil-Lets donations

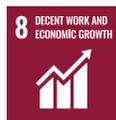


#### GENDER EQUALITY

- We work to end all forms of discrimination against women and girls.
- We aim to ensure equal opportunities in the workplace.
- We promote gender equality.



- #Lil-Lets Talk
- Menstrual hygiene product donations
- Diversity and inclusive culture
- Harassment policy
- 4-month, full pay maternity leave



#### DECENT WORK & ECONOMIC GROWTH

- We promote full and productive employment that is fair for all in a safe and secure working environment.



- Health and safety benchmarks
- Collective bargaining participation
- Whistleblowing and grievance hotline
- Wellbeing initiatives



#### REDUCED INEQUALITIES

- We empower and promote inclusivity, irrespective of age gender, disability, race, ethnicity, origin, religious, economic or other status.



- B-BBEE Level 4 contributor
- Living wage
- Enterprise Supplier Development
- Diversity and inclusivity culture workshops



## Sustainability report continued

### OUR PEOPLE

1



The Premier Leadership Academy, in conjunction with the Supervisory Development Programme, focuses on developing leadership skills within our business. Managing talent remains a critical focus for management, ensuring the retention of business intelligence and preparing a pipeline of future leaders across the organisation to deliver long-term value seamlessly and sustainably.

## 99 employees

attended leadership courses of which 91% were ACI.

## 276 employees

were promoted internally.

## 140 supervisors

were trained during the year.

These programmes enable our leaders to become competent, credible and confident people managers positively impacting our talent pipeline.

### Full and productive employment

A continued focus on investment in skills development and ongoing employee engagement are the cornerstones of our people strategy.



Skills development is not only a priority for the business to ensure relevance and agility, but also to provide employment for our people that is full and productive and delivers long-term upliftment. Providing opportunities for individual growth and career progression through proactive talent management and development, on-the-job training, mentorship and coaching for performance improvement, help build a workforce that is motivated and engaged. We believe these opportunities attract and retain superior talent and will help us in progressing our employment equity strategy.

The Premier Way is our north star providing a reference guide to the rules of the game within Premier and assists us in adhering to our commitment of providing fair and equitable employment.

**Youth development** is a critical focus in this pillar. Investing in education and nurturing the next generation of leaders is ingrained in our values, supporting our philosophy of “Growing Together”.

Premier is in the process of accrediting its own state-of-the-art **Technical Development Centre**. The centre will be designed to help supplement the development of critical and scarce technical skills which are required to maintain and operate our world-class infrastructure.

The **CEO Bursary Scheme** provides dependants of Premier team members the opportunity to study for their first Higher Education qualification through a recognised institution.

The second intake of our **Unemployed Disabled Learnership** Programme, which was launched in 2023, progressed as planned during the year. The programme helps provide employment opportunities for unemployed youth through skills development supporting growth within the community.

## 19 CEO bursaries

awarded during the year.

## 101 disabled learners

participated in the programme.

**25 employees** were awarded **study assistance**

towards achieving a higher education qualification supporting our commitment to invest in the education our people.

Courses focusing on the development of critical and/or scarce skills is a top priority for Premier, not only to assure the development of in-house skills, but also to provide employees with portable, recognisable qualifications.

## R26 million

of direct and indirect training spend.

## >3 400

training attendances.

## >16 000

days of training.

## Sustainability report continued

### OUR PEOPLE

1



**97% participation** rate in our annual People Survey, with extremely positive results which continue to track upwards year on year.

### Full and productive employment

Premier is committed to ensuring an **inclusive, collaborative working environment** for all our employees to establish a sense of belonging and to unlock potential. We maintain regular communication via different forums, physical and digital, including conducting an annual People Survey.

As an employer of choice, our annual People Survey results, including our overall net promoter score (e-nps), is an important strategic people metric to assess our culture and employee experience. Our overall results provide insights into areas of improvement and where we may need to place more focus on our culture.

**Enterprise Supplier Development** programmes, aimed at supporting and uplifting small scale suppliers, continue to gain traction providing growth opportunities.

The bakery distribution initiative, has established 78 entrepreneurs, provided access to skills training and created over **128 jobs** since its inception two years ago.

**47%**

of the workforce is represented by a collective bargaining unit.



## Sustainability report continued

### OUR PEOPLE

1



We maintain continued effort in working towards our customised **6 Star Safety, Health and Environment rating** is aligned to **ISO 45001:2018** (Occupational Health and Safety) and **ISO 14001:2015** (Environmental Compliance). Focus areas include monitoring fire risk, emergency planning techniques, environmental impact, motor fleets, occupational health and safety and site security controls. Obtaining these certifications provides assurance to our service providers, customers and consumers that our products are safely manufactured.

**90%** of our manufacturing sites have achieved the **targeted** minimum of a 5 out of 6 star rating.

We continually strive to improve the star ratings awarded to our more recently acquired sites. Significant progress was made during the year, notably on the George bakery site which underwent a major refurbishment.

### Safety and compliance

The health and safety of our employees is paramount and is prioritised in our planning and decision making.



In order to achieve and maintain a safe and compliant working environment, we have an established integrated Risk Management Programme which aims to ensure compliance with applicable Health and Safety legislation and to implement best practice in the CPG industry. The programme uses a customised grading system comprising six elements. A star is awarded for compliance with each element against a compliance standard of 97%, with the target requirement being a minimum of 5 stars.

**A comprehensive Harassment Policy** has been compiled giving a voice to and protecting our employees. The policy has been developed according to regulatory requirements and aims to provide appropriate procedures to deal with all types of harassment in the workplace and prevent reoccurrence.



Internal grievances can be reported through the **Vuvuzela Hotline**, both internally and externally, and also via the **Customer Care** line. Premier has a **Crime Line** and an **Incident desk** for corruption and fraud incident whistleblowers.

**Vuvuzela Hotline** contact number

**0800 212 010**

**Whistleblowing Hotline**

**email:** [premierfmcg@thehotline.co.za](mailto:premierfmcg@thehotline.co.za)

**website:** [www.thehotline.co.za](http://www.thehotline.co.za)

Health and Safety training and awareness programmes, for example first aid, fire prevention and emergency response, are regularly undertaken to reduce or prevent work injuries to employees and visitors to the sites, particularly in the manufacturing environment, through upskilling and education.

## Sustainability report continued

### OUR PEOPLE

1



**Transformation** has been a particular focus of this strategic pillar, resulting in the formulation of our Transformation Strategy.

In 2022, the Group undertook a broad-based black economic empowerment restructuring to improve the Group's relevant South African empowerment status and enhance its continued commitment to socio-economic transformation by ensuring meaningful and sustained black ownership. After implementing the planned transformation and empowerment projects, we achieved a Level 4 B-BBEE status in June 2023, independently audited by Audit BEE.

### Diversity

Premier has committed to cementing a strong and inclusive organisational culture rooted in dignity and equality, through the development of a shared set of team and individual commitments creating a sense of belonging for every employee.



Promoting diversity within our business is a strategic imperative aligned with the Premier Way and brings with it a value-add that can be optimised for the benefit of the Company. We aim to achieve and maintain a workforce that is diverse in terms of gender, race, age, experience and skills. We have been proactive in addressing equality and diversity through our culture workshops, diversity and equity working groups as well as our various policies, which promote fair and equitable employment practices, and has provided a rigorous framework under which we operate.

The **level 4 B-BBEE** rating has been maintained in 2024.



Other measures include working towards transforming all levels of management, basic skills development plans and focusing on **unemployed learnerships, apprenticeships and junior management development**.

We continue to reinforce and roll out our culture themes and our annual People Survey has been reviewed to ensure that we measure and continuously improve employee perception regarding inclusion and belonging in the workplace.

Premier has been recognised for the second year running by Standard Bank as a

### Top Gender Empowered Company

in the Food Producer sector by actively creating initiatives to sustainably uplift women and organisations to make a contribution to gender empowerment. Premier is committed to achieving greater gender diversity and the empowerment of women in the workplace.

Premier offers **4 months** full pay **maternity leave** for all female employees.

### Wellbeing

Employee physical and mental health are critical to wellbeing and productivity which in turn protects our consumers by ensuring that attention to product quality is upheld.



A new online **employee assistance programme** has been rolled out during the year to provide financial and legal advice, emotional and psychological guidance and counselling to boost and maintain employee morale. In support of gender equality in the workplace, over 40 000 free sanitary pads have been distributed to our female workforce. Annual executive wellness assessments and annual occupational medical health checks are routinely undertaken for every employee.

## Sustainability report continued

### 2

Premier commits to ensure that the products we produce in our facilities and market under our brands do no harm.

A priority for Premier is to ensure food security by providing continued access to safe, quality, nutritious food options to our consumers. We are mindful of the importance of our products in the staple food basket. Wheat, maize and rice account for 60% of all calories consumed on the African continent.\* Food security, as defined by the United Nations, means that all people, at all times, have access to sufficient, safe, and nutritious food that meets their food preferences and dietary needs for an active and healthy life. Contributing to food security is a critical element of Premier's strategy, particularly given the pressure on global food supply systems as a result of global geopolitical factors and climate change challenges. These crises impact poorer people the most. With a significant proportion of the South African population living below the upper-middle-income-country poverty line, affordability and availability of staple foods in South Africa is an essential focus for local food producers.

In addition to our food product options, our wide range of menstrual health products provide access to safe and effective sanitary protection. This supports our purpose of making a difference in the lives of our consumers promoting gender equality, maintaining access to education and the reduction of period poverty.

\* The Conversation, January 2024

### OUR PRODUCTS

The relevant UN SDGs that we have chosen to target for this pillar of the sustainability vision are the following:



#### STRATEGIC MOTIVATION

##### ZERO HUNGER

- Providing food security is a priority to ensure that sufficient safe and nutritious food choices are available.



#### HOW WE MADE A DIFFERENCE

- Food donations
- Focus on efficiencies and lowest cost
- Health and wellbeing
- Accessibility
- Wide staple food portfolio



##### GENDER EQUALITY

- We work to end all forms of discrimination against women and girls.
- We aim to ensure equal opportunities in the workplace.
- We promote gender equality.



- #Lil-Lets Talk
- Menstrual hygiene product donations
- Innovative products for women



##### RESPONSIBLE PRODUCTION & CONSUMPTION

- We support sustainable sourcing of essential ingredients where possible and transparency in product labelling.



- Responsible sourcing
- Product quality accreditations
- Health and wellbeing
- On-pack labelling

## Sustainability report continued

The two focus areas of this strategic pillar are detailed below:

### OUR PRODUCTS

2



Successful accreditations are critically important to assist the team with the management and maintenance of our health and safety standards, providing operational credibility as well meeting the needs of our customers and consumers.

All our bakeries, mills, sugar confectionery and beverage plants are **FSSC 22000** certified with the exception of the new bakery in the Western Cape which was accredited with a GFSI (Global Food Safety Initiative) certification in April 2024. The Pretoria West bakery, re-commissioned during the Aero-ton bakery upgrade, is operating with a GFSI certification.



Our HPC manufacturing site is **ISO 9001** (Food Safety Standards) certified as well as British Retail Consortium (**BRCS**) certified which enables Premier to export and supply to the feminine hygiene market in the UK.

### Safety and security

In order to fulfill our commitment to produce safe, quality products that do no harm or place employees and/or consumers at risk in any way, we strive to comply with appropriate certification and accreditation requirements in our manufacturing facilities.



The ongoing investment in site upgrades and relevant certification requirements ensure that our facilities remain state-of-the-art and our processes conform to best practice in the CPG industry, protecting our employees as well as our consumers. Maintaining the integrity of our brand reputation is critical to our sustainability.

We endeavour to provide nutritious, healthy products which better people's lives through continuous **product improvement** and ingredient reformulation where necessary, for example mineral fortification and the reduction of sodium and sugars to meet consumer needs and regulatory requirements.

Providing **accurate and detailed on-pack information** allowing consumers to make informed choices about the products they buy and consume, is important to us. Consumers expect a level of transparency, product integrity and value add from their trusted brands, which we strive to achieve.

As part of our commitment to inclusivity and diversity, we provide clear information on our products to guarantee product integrity for consumer protection. We indicate on our products those that are **vegan, Halaal, kosher or organic**.



## Sustainability report continued

### OUR PRODUCTS

# 2



Premier's exceptional **logistics capability**, with a delivery fleet of

## >1 300

owned and third-party vehicles enables more than

## c.50 000

deliveries countrywide daily.

This platform distributes Premier's products to a diverse range of formal and informal trade outlets reaching the broader population street by street.

Focusing on our strategic intent to be the lowest cost producer enables us to provide products at **affordable** price points doing our best to serve our consumer.

Resilience and reliability in our supply chain is critical to product availability. Empowering small-scale suppliers through our Enterprise Development Programme has broadened our reach and sustainability by making our products more accessible to the informal market.

We have

## 40 brands

in our product portfolio.

### Availability and accessibility

Given the high levels of poverty in South Africa and the lack of transport infrastructure in many areas, affordability and accessibility are fundamental considerations in both the provision of staple food products and sanitary products.



Premier aims to play a part in ensuring that all consumers have daily access to nutritious food options that are affordable, as well as access to affordable sanitary protection.

Renovating our tried and tested heritage brands and introducing innovative products into our brand stable is one of the drivers of our success. Several innovative products have been brought to market.



Manhattan rainbow marshmallows



Mister Sweet marshmallow eggs

Being cognisant of economic pressures on our consumers has inspired the improvements to the breadth of our range with the introduction of different pack size options, as well as a growing private label range. Private label revenue has grown by 12% during the year with a portfolio of over 200 SKUs.



Sustainable biodegradable Teens Eco Pads





## Sustainability report continued

### 3

Putting action behind our vision of “Earning the right to operate in our communities” has required an extensive examination of our footprint on the planet and how we manage our resources.

Responsible production and consumption, particularly given our dependency on natural resources, is critical to our business sustainability and to regional food security. Worldwide unsustainable business practices have resulted in significant environmental degradation which threatens global food security and particularly the livelihoods of poorer communities.

In response to this, information on our manufacturing and distribution operations which have an impact on the environment, locally and regionally, has been collated in order to determine areas of focus for our sustainability projects to make sure that we are operating responsibly. Reducing carbon emissions and waste generation and improving our energy and water utilisation rates are the key areas which we are examining to ensure business sustainability and continuity. This process will enable us to perform trend analysis so that we can determine our baselines and monitor progress against future targets which will optimise our business going forward.

### OUR PLANET

The relevant UN SDGs that we have chosen to target for this pillar of the sustainability vision are the following:



#### STRATEGIC MOTIVATION

##### CLEAN WATER & SANITATION

- Work to increase water use efficiency, where possible re-use and recycle water and access borehole water if available.



#### HOW WE MADE A DIFFERENCE

- Water effluent management
- Water storage facilities
- Installation of boreholes

##### AFFORDABLE & CLEAN ENERGY

- Develop an alternative energy strategy to increase the share of cleaner/renewable energy in our supply mix and improve energy efficiency.



- Solar installations
- Gas conversions
- Gas and electric powered vehicles
- LED technology

##### RESPONSIBLE PRODUCTION & CONSUMPTION

- Manage waste in production through initiatives that prevent, reduce or recycle.
- Support certified sustainable sourcing of essential inputs where possible.



- Repurposing of waste
- Recyclable packaging
- Plastic packaging reduction
- Recycling initiatives
- Responsible sourcing

##### CLIMATE ACTION

- Reduce our impact on climate change and mitigate the impact of climate change on our operations through strengthening our resilience and adaptive capacity.



- Recyclable packaging
- Plastic packaging reduction
- Repurposing of waste
- Route optimisation
- Responsible sourcing

# Sustainability report continued

The five focus areas of this strategic pillar are detailed below:

## OUR PLANET

3




### Climate change

Climate change is a global challenge in scale, urgency and complexity of action.



It poses a threat to the availability and quality of raw materials driving food price inflation and impacting food security. The COP26 goal of limiting the increase in the global average temperature to 1.5 degrees Celsius above the pre-industrial average remains severely under pressure and the support for countries most vulnerable to the effects of climate change is falling short. “2023 was the hottest year on record, smashing the 2016 record by a huge margin.”\* The world is faced with an environmental emergency, the need to accelerate action, the need to move away from fossil fuels and the need to step up the support for adaptation. Every country’s food supply is affected by the impact of climate change given the interconnectedness of the global food system.

We have committed to work towards reducing the impact of our operations on climate change through the promotion of cleaner, more efficient business practices. The projects which have been identified or implemented are detailed as part of our energy, waste, water and sourcing initiatives. In order to pursue a more sustainable business journey, Premier has also committed to strengthening our adaptation and resilience to climate change induced impacts on our operations, energy availability and raw materials.

\* Standard Bank Securities, January 2024.



## Sustainability report continued

### OUR PLANET

3



Transitioning to cleaner energy alternatives has introduced sustainability benefits including less pollution from soot, improved combustion efficiency and potentially increasing the lifespan of our equipment.



### Energy

The reduction of fossil fuels required in the production and distribution of our products is an essential sustainability focus for our business.



Working towards a sustainable future, while continuing to grow our business, requires a dedicated investment to improve efficiency and transition to cleaner or renewable energy sources, such as natural gas and solar, where feasible. Premier tracks its direct emissions (Scope 1) and indirect emissions (Scope 2) so that it understands its carbon footprint. Through this understanding, Premier is developing an alternative energy strategy that will increase the share of cleaner and renewable energy in our supply mix and has implemented measures to improve energy efficiency. It is not feasible currently to transition fully to green energy across the organisation, however the increase in the use of cleaner energy will be beneficial in reducing emissions, air pollution and improving the security of energy supply.

Conversions to natural gas from polyfuels and coal, which emits significantly less carbon dioxide and fewer pollutants, will help Premier move towards an energy profile that is more cost efficient and supports global climate change goals.

The introduction of our second solar installation at the Tunney confectionery site has increased our output of renewable energy by

**>300%** during the year.

Our current installed capacity, including the capacity at our Lordsview distribution centre is

**1 270KWh.**

Additional solar is planned to be integrated into the new Aerothon bakery site during the current upgrade phase.

Route optimisation and further upgrades to the transport fleet continue to provide fuel savings and an associated reduction in greenhouse gas emissions.

Our Aerothon bakery acquired 14 new Compressed Natural Gas (CNG) vehicles to the fleet in early 2024 bringing the total to **16 gas-powered** vehicles. This is in addition to two existing electric vehicles currently in trial phase. The results of this transition are very positive with significant CO<sub>2</sub>e savings having been recorded. CNG filling stations are planned at certain sites to enable the further integration of gas powered vehicles as a cleaner alternative to liquid fuels such as diesel.

Light-emitting diode (LED) technology and motion sensors are in place in offices companywide to reduce energy usage where possible.

## Sustainability report continued

### OUR PLANET

3



#### Water effluent management systems

have been installed where necessary as part of our compliance with regulatory requirements and to protect the water sub-systems.

All our bakeries have separation systems to eliminate oil and sand from the water released by our truck washing bays so that it can be released into the drainage systems to prevent water contamination.

The risk of business interruption at some of our facilities, as a result of water shortages and supply constraints, has been mitigated by supplementing municipal water supply through the installation of additional **water storage facilities** or by sinking **boreholes** where feasible.



#### Water

South Africa is considered a water stressed country receiving just over half the global average rainfall per year.\*



Water scarcity in South Africa is a complex issue. The demand for water is also rising with population growth, urbanisation and industrial demand and is impacted by failing municipal infrastructure, water loss through leakages as well as the effects of climate change. In recognising that water is a scarce but vital resource and that we have a collective responsibility to preserve it, we continue to identify and execute on projects that reduce the amount of water required to produce our products and that facilitate the use of waste and recycled water or access underground sources.

\* JSE Sustainability Supplement Oct - Dec 2023

The majority of our manufacturing sites have access to borehole water and two additional sites acquired access to borehole water during the year.

- **Water storage tanks** have been installed at sites considered at risk from supply constraints to maintain water continuity and security during times of municipal disruptions.
- The Mthatha bakery embarked on a **water provision programme** to alleviate the plight of communities experiencing shortages of clean drinking water in the area. This initiative comes as several communities staged violent protests over water shortages. The programme aims to deliver water to communities in need using a water tanker no longer required by the bakery subsequent to the installation of water tanks on the site.
- The corporate office is designed to collect and utilise grey water where possible.





## Sustainability report continued

### OUR PLANET

3



Product safety is a critical focus for Premier and balancing this requirement with the reduction in packaging material is a continuous challenge the business faces.

**96%** of our packaging materials are recyclable and **100%** of our bread packaging is recyclable.

Ongoing initiatives implemented by our continuous improvement team have brought about significant reductions in the volume of plastic use in our product packaging. A further **reduction** in plastic packaging material use of around **12 tonnes** was achieved during this year.

The re-purposing of other organic waste such as bread dough into animal feed, to divert it from landfill, has created additional revenue streams for Premier and added opportunity in the secondary economy around waste.

We are registered with the Department of Forestry, Fisheries and the Environment (**DFFE**) and have a Forest Stewardship Council Certification (**FSCC**).

### Waste

South Africa has limited availability of landfill space as well as operational challenges in managing waste.



Once disposed to landfill, waste is more difficult to re-purpose affecting its economic value, and if not managed correctly, organic waste produces methane contributing harmful greenhouse gas emissions. Reducing waste to landfill through designing for recyclability, packaging innovations to lessen the amount of packaging materials used and the beneficiation of organic food waste are examples of our continuous improvement mindset in contributing to a circular economy. We continue to research and focus effort into delivering improvements to packaging materials which are currently not recyclable.

As part of this commitment, we are signatories of two Extended Producer Responsibility Organisations, Polycy and Fibre Circle, who are responsible for building recycling infrastructure and for identifying end-use options for non-recyclables. These organisations also manage the post-consumer use of recyclable materials through collective projects and initiatives. Given that food safety is a critical element of our business, ensuring that our products are adequately protected must be considered in conjunction with the environmental responsibilities that we hold. Protecting our products in plastic is a trade-off that we have made, but through these reduction and recycling initiatives, we aim to reduce waste further down the value chain. We measure and benchmark our waste indicators in terms of waste to landfill and work towards municipal targets for waste reduction or elimination. The Cape Town municipality has set a zero landfill target for 2025 and it is expected that other municipalities will follow.

The Sweethearts Foundation, a renowned force in environmental education, is driving impactful change by collecting and repurposing **recyclable bread tags** and bottle tops to support wheelchair acquisition for individuals in the need.

To date 140 tonnes of bread tags have been recycled and

**>498**  
wheelchairs donated.



Greening our menstrual hygiene products has been a priority for the HPC team who remain committed to finding sustainable solutions across the product range.

Early initiatives include Lil-Lets organic pads, the re-useable menstrual cup, re-useable tampon applicator and now the recently introduced **"Kind to the Planet"** Teens eco pads, made with sustainable plant-based materials, which are biodegradable and compostable.

Single-use plastic tampon applicators were discontinued in 2021. Lil-Lets was the first UK brand to display a **"Do not flush"** logo prominently on the pack.

## Sustainability report continued

### OUR PLANET

3



**Responsible sourcing of palm oil** is secured from an RSPO certified distributor for the bakery and confectionery businesses. The cocoa required for our various private label confectionery products is sourced from sustainable point of origin suppliers certified by the **Rainforest Alliance**. These certifications protect against human rights abuses and promote sustainable farming practices for those ingredients.

The HPC business committed to using **sustainable, organic cotton** sourced from Global Organic Textile Standard certified suppliers (GOTS) as well as to providing a range of GOTS certified menstrual hygiene products.



### Sourcing

To date our priority with respect to sourcing has been on ensuring the continuity of supply of our product coupled an unrelenting stance on quality.



Maintaining food security is an ongoing challenge requiring a balance between the increasing need for food and nutrition and the social and environmental implications of continuously increasing production. Certain genetically modified (GM) crops, such as maize, are mandated by our government to address this issue. The DNA of genetically modified plants is altered to enhance the resilience of the crop by improving, for example, its resistance to insects and disease which results in improved yield and crop quality. Environmental benefits of this include a decrease in the need for pesticides, reduced contamination and water pollution, increased safety for farmworkers and communities, as well as less harm to animal life. Benefits of GM crops extend to food manufacturers and distributors as GM foods have an increased shelf life allowing for longer life spans for trade. There are downsides to using GM crops, for example the potential global dominance of seed manufacturers and the possibility that engineered genes may be cross-pollinated into conventional crops. These risks can be managed by controlled farming practices and diversification. Premier has a GM position statement which affirms the use of GM ingredients, such as maize and soya for use in our product portfolio. The use of GM ingredients in our maize and samp products is transparently indicated on our packaging where relevant and our bread products, which contain less than 1%, require no regulatory labelling.

We are in the process of defining policies and certification procedures supporting sustainable sourcing of essential inputs, where possible, with the intention of minimising the impact on the environment and also helping prevent human rights abuses in the supply chain.

As part of our sustainability journey, our goal is to widen our focus and monitor the integrity of our **supply chain** going forward. We currently have risk-based quality auditing systems in place to audit our local raw material and packaging suppliers where necessary. We assist several of our smaller suppliers by providing funding and coaching to help with the internal compliance processes necessary to achieve the health and safety standards required in the CPG industry, commencing with the Hazard Analysis Critical Control Point (**HACCP**) certification.

Currently, private label customers conduct independent compliance audits on Premier sites to establish compliance with **ISO 9001 (Food Safety Standards)** in order to satisfy their internal compliance requirements.



## Sustainability report continued

### 4

### OUR COMMUNITIES

“Growing Together” is at the heart of our business philosophy of the Premier Way and our community projects have been driven by Premier’s purpose of nourishing and empowering communities to grow together.

These investments aim to not only contribute in the short term, but to provide longer term upliftment, aligning our ESG strategy with a positive business impact. Entrenching our brands in the community has a wider benefit for the Group as well as the communities we serve.

We have forged numerous partnerships with formidable charitable organisations which has enabled us to be a part of wider initiatives significantly impacting the communities in which we operate. Food Forward, Gift of the Givers and SA Harvest, amongst others, facilitate the collection and distribution of our food and menstrual hygiene products allowing us to be a meaningful contributor and playing a part in making a difference. With more than 30 sites across the country employing over 8 600 people from local communities, our operations play a proactive role in disaster relief, food security, community clean ups and facilities upgrades.

We also recognise our role in improving access to education through the provision of learning materials and menstrual health education, holiday entrepreneurship programmes and donations of food and equipment to early learning centres.

The governance of Premier’s CSI activities is managed through the Social and Ethics Committee which is mandated by the Board to ensure responsible distribution of the allocated funds including the certification of the NGO and Section 18A beneficiaries.

The relevant UN SDGs that we have chosen to target for this pillar of the sustainability vision are the following:



#### STRATEGIC MOTIVATION

##### ZERO HUNGER

- Providing food security is a priority to ensure that sufficient safe and nutritious food choices are available.



#### HOW WE MADE A DIFFERENCE

- Food donations
- Focus on efficiencies and lowest cost
- Health and wellbeing
- Accessibility
- Wide staple food portfolio



##### QUALITY EDUCATION

- We have an ongoing focus on skills and leadership development, mentorship and coaching, providing learning opportunities for all.
- We support girls remaining in school whilst menstruating.



- #Lil-Lets Talk / Ask One Donate One
- Menstrual hygiene product donations
- Early Learning Centre upgrades
- Youth initiatives
- Bake-for-Profit



##### GENDER EQUALITY

- We work to end all forms of discrimination against women and girls.
- We aim to ensure equal opportunities in the workplace.
- We promote gender equality.



- Menstrual hygiene product donations
- #Lil-Lets Talk / Ask One Donate One
- Million Comforts campaign
- Queen’s Trust contributions



##### PARTNERSHIP FOR THE GOALS

- Through extensive CSI activities, we partner with local communities and NGOs to support the implementation of the UN SDGs through sharing of knowledge, financial resources and product donations.



- Product donations
- Partner charities
- Coast2Coast cleanups

## Sustainability report continued

The three focus areas of this strategic pillar are detailed below:

### OUR COMMUNITIES

4



During the year, Premier collaborated with **partner charities** including Food Forward, SA Harvest and Gift of the Givers, amongst others, leveraging their established distribution capabilities to donate product to a wide cross-section of communities in need.

## c.29 million

meals donated to communities in need.

## >800

tonnes of maize meal and flour.

## >19 000

litres of maize-based beverages.

## >670

cases of sugar confectionery.

Bread donations of

## >2 million

loaves were distributed to large and small charities across South Africa, Eswatini and Lesotho.

### Nutrition

Food security in South Africa remains a challenge with a significant proportion of the population living below the poverty line.



From a nutritional perspective, the population suffers from the conflicting health issues of obesity and malnutrition. A significant proportion of the South African population is considered either overweight or obese contrasting with the high levels of hunger experienced daily. This inequality needs to be addressed by different societal sectors. Campaigns to encourage South Africans to consume more fibre as part of a healthy eating plan promotes the consumption of fibre-rich brown bread. A healthy diet is the first step towards upliftment. Our products are formulated to nourish consumers and promote health and wellness through tried and tested recipes which we continuously strive to improve on. Our wide range of affordable product choices ensure that we add value to our consumers' lives and our comprehensive on-pack communication assists consumers to make informed dietary choices where possible.

In line with our purpose, we have continued to support communities in need with significant levels of product donations. Through our several partner charities we have prioritised the donation of staple foods, such as bread, maize and wheat that are nutritious and filling, to communities that are struggling to make ends meet. We partner with bigger charitable organisations that have an established infrastructure and are best equipped to deliver food hampers to homes where food is scarce, reaching communities countrywide that need help the most. We also donate bread, maize, wheat, mageu and sanitary protection products to various other non-profit organisations within the communities in which we operate.



## Sustainability report continued

### OUR COMMUNITIES

4



The **Lil-Lets Making a Difference** initiative has been a profoundly significant programme aimed at improving education, gender equality and dignity, through donations of menstrual hygiene products to help keep adolescent girls in school during their monthly cycles.

- The collection and distribution of sanitary protection products to alleviate period poverty has been undertaken through a number of initiatives and through partnering with customers and NGOs. The **Million Comforts Campaign**, in partnership with Dis-Chem, commits Lil-Lets to matching in-store Dis-Chem purchases of its sanitary pads which are subsequently distributed to communities and government hospitals. Gift of the Givers, African Children Feeding Scheme and **Hlokomela Banana** (the Queen's Trust) in Lesotho participate in other similar initiatives which not only meet girls' needs for hygiene products, but go further by providing girls the opportunity to take full advantage of their education, to achieve better grades and ultimately assist in improving gender equality.
- Lil-Lets offers health education on puberty and adolescence through several channels, such as our **#Lil-Lets Talk** platform, launched in January 2021, helping to dispel myths associated with menstruation, break down societal taboos and empower women to talk about menstrual hygiene.

### Education

We believe that the future of our country is dependent on access to and improved standards of education.



South Africa is well known for its extreme levels of inequality and persistent low levels of economic growth have deepened the crisis causing unemployment to remain at unprecedented highs. In order to alleviate these issues, we provide educational programmes, internships and apprenticeships to help and develop our unemployed, particularly the youth and people with disabilities. Teenage girls without access to adequate sanitary protection during their period, can miss up to 20% of any school year, around 50 days. This may lead to poor academic performance, a higher prevalence of dropouts which in turn could result in greater inequalities later in life, perpetuating the cycle of gender inequality. Inadequate sanitary protection also leads to loss of dignity and shame. Our menstrual hygiene projects are designed to improve gender equality by keeping girls at school during their menstrual cycles. The Lil-Lets educational initiatives aim to educate and prepare young girls for the onset of menstruation and the hygienic management thereof, as well as educating boys to prevent discrimination and teasing. Once employed, women may miss work if unable to access sufficient sanitary protection resulting in loss of earnings. Locally and across the African region, many low-income households are female headed, which further exacerbates the social burden.

Projects aimed at upliftment and empowerment have been the focus of this element of our sustainability strategy, assisting young girls to remain in school, getting the most from their education and enabling them to benefit to the best of their abilities.

The platform, [www.lil-letstalk.co.za](http://www.lil-letstalk.co.za), provides a safe environment where consumers can ask questions and receive answers from trained responders and learn from shared experiences. Lil-lets has utilised technology to support, educate and empower women, whilst embracing their privacy, as social barriers often inhibit open conversations about menstrual hygiene.

Donations made of  
**>320 000 pads**

enabling young girls to attend school for the week of their period.

The Unemployed **Disabled Learnership Programme** was extended during the reporting period enabling disabled youths the opportunity to participate in a learnership programme and gain workplace exposure for a 12-month period.

Our commitment to support **early learning centres** around the country gained momentum during the year, with donations of branded learning materials and food and 356 centres being upgraded. These community engagement projects not only are a force for good, empowering local business owners and improving the lives of children in the community, but also promote our heritage brands within those communities.

Our brands are paving the way towards a healthier future for our children supported by key elements of our sustainability strategy, nutrition and education.

## Sustainability report continued

### OUR COMMUNITIES

4



Lil-Lets UK Ltd is one of the **suppliers** to the UK Government's scheme, run by the Department of Education, to provide **free period products** to all state maintained schools and educational establishments for 16-19 year olds in England.

The **Iwisa No. 1 Community Champion Competition**, now in its second year, was introduced to unlock township social entrepreneurship and celebrate unsung heroes in communities across South Africa working to solve societal problems. The philosophy was to reward community impact makers and encourage entrepreneurship by providing mentorship, workshop and networking opportunities for existing small businesses across the country.



### Education

To help build the next generation for future success, **Mister Bread** and **Star Bakeries** collaborated with Enke, an NGO dedicated to youth empowerment, to provide fun, educational holiday camps to

## 766

Grade 5 to 7 learners.

The Yondla Ikamva holiday camp provided youths in the Eastern Cape with skills in numeracy and entrepreneurship. The camps were facilitated by local teachers providing additional support for the communities' educators through the creation of holiday employment.

## >R1 million

of educational CSI donations were invested in this programme.

## 4 700 loaves

of bread were donated during the camp.

In support of gender equality in the workplace, all female employees at Premier have access to free sanitary products at work. Products are provided in the bathrooms at our offices, and in our manufacturing operations, women receive a pack of pads or tampons a month. **40 000** menstrual hygiene products were donated to the team during the year.



**Snowflake's Bake-for-Profit**, a co-sponsored partnership with training provider, Learn to Earn, which has been operating successfully since 2001, upsills adult learners in basic baking skills and the skills required for managing a small business from financial management to health and safety. Each registered student receives Snowflake branded learning material, sponsored Snowflake flour and baking powder and baking kits. The Bake-for-Profit initiative is helping to address one of the deepest needs in communities throughout the country - the right to earn a living and the opportunity to do so. The majority of the direct beneficiaries are African females in their mid-30s, with multiple dependents.

## 96 adult learners

completed the course during the period.

## Sustainability report continued

### OUR COMMUNITIES

4



The **Ask One, We Donate One** drive, which donates a pack of Lil-Lets sanitary pads to those in need with every question asked on the #Lil-letsTalk platform, saw the donation of sanitary pads to three beneficiary organisations chosen from nominations received from the public. 4 188 packs of pads were donated keeping over 1 600 girls at school for the week of their period.

Getting involved once again with the **Santa Shoe Box** Project, Manhattan Confectionery donated over 440 cases of sweets. This project gifts a shoebox of essential items and treats to over a million children in South Africa during the festive season. Premier staff assisted in the project, packing over 300 boxes as part of the volunteer Mandela Day activities.



### Community

Premier is committed to making a difference to families across the country, and to providing food and sanitary products that contribute towards achieving this goal.



Staple food donations and the provision of our menstrual hygiene products, which may have become a luxury for those who are unable to afford groceries, will continue to be a key focus to improve the lives of people in our communities. Through our various CSI programmes, our heritage brands are integrated into the communities in which our loyal consumers live.

An initiative to improve the areas surrounding Premier sites, benefiting our own operations, employees, customers and consumers as well as the neighbouring communities, was implemented and has met with resounding success.

The initial **Moqhaka Clean Up Project** (Kroonstad) is the flagship success story of this initiative. The wheat mill site assisted the municipality in cleaning the town and upgrading communal areas. Following this clean-up drive, The City of Kroonstad won the “Kyknet Dorp van die Jaar” landing R1 million in TV media available to promote the town as a tourist destination and stimulate business investment.

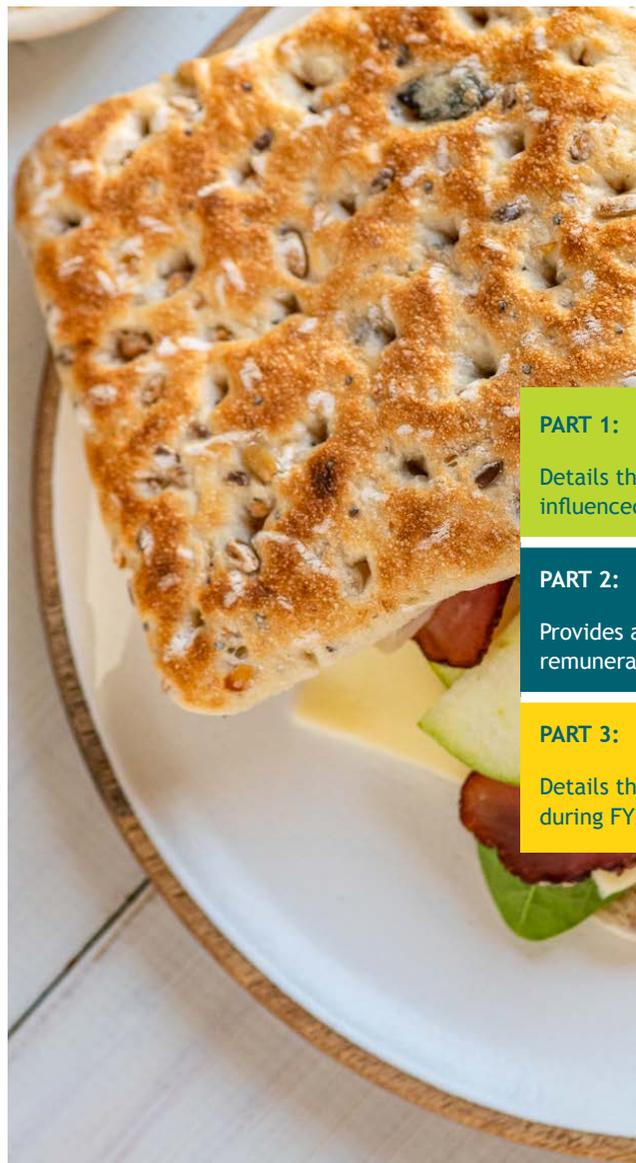
**Share More Meals Made with Love**, which was a collaborative campaign between Premier, our partner Gold Keys International, Food Forward SA and three regional shopping malls resulted in thousands of meals being donated and distributed. Non-perishable food items were donated by the organisers as well as shoppers frequenting the participating retail outlets. These food items were then packed and distributed to surrounding communities reaching those most in need.

A campaign to help restore dignity and rebuild lives, after the devastating floods in KwaZulu-Natal, culminated in four new homes being built in a partnership between BB Bakeries and Habitat for Humanity. Under the banner of **Bread for Bricks**, the campaign committed to donate bricks for every loaf of BB Bread bought, which were then used to build the homes, benefiting 14 beneficiaries.

“For us it’s not just about putting a roof over a family, it’s about helping to restore dignity”



# Remuneration report



## PART 1:

### Report from the Committee Chair

On behalf of the Remuneration and Nomination Committee (Committee), I am pleased to present Premier's remuneration report for the financial year ended 31 March 2024 (FY2024). The report has been compiled in accordance with the Companies Act, the JSE Listings Requirements and, in as far as possible, the recommendations of King IV and applies the three-part structure recommended therein.

## PART 1:

Details the background and focus areas of the Committee that influenced policy and remuneration outcomes in FY2024

## PART 2:

Provides an overview of the remuneration policy and governance of remuneration with the Group

## PART 3:

Details the implementation and outcomes of the remuneration policy during FY2024

During the year under review, our Board set the strategic direction for the Group and our executive directors remained unyielding in their management of the day-to-day operations of the business, ensuring its sustainability. Premier's people continued to pursue the Group's strategic objectives and drive Company performance, creating significant value by delivering on the Group's purpose of ensuring that our products and people make a difference in the everyday lives of our consumers and unlocking future growth to deliver attractive shareholder returns.

## FAIR AND RESPONSIBLE REMUNERATION

Premier remains committed to fair and responsible remuneration practices and, accordingly, we endeavour to ensure that our remuneration is market-related and free of unfair discrimination and prejudice. To give effect to this commitment, we make use of reputable job grading systems to ensure equal pay for work of equal value. In addition, we analyse Group-wide remuneration on a regular basis in an attempt to ensure that there are no unfair pay differentials based on gender, race or other social demographics. Where material differentials do exist, these typically relate to work experience and length of service in the role. In addition, Premier continues to focus on its strategy of reducing reliance on temporary labour and does not make use of labour brokers in respect of permanent positions.

We acknowledge the global challenge of income gaps between highest and lowest paid earners and aim to progressively narrow these gaps by, amongst other things, providing all employees with learning and professional development and opportunities for career advancement. We offer enhanced parental leave benefits compared to those prescribed in the Basic Conditions of Employment Act, provide free sanitary products to employees at work and Group products at discounted prices.

## Remuneration report continued

### OVERVIEW OF GROUP PERFORMANCE AND EXECUTIVE DIRECTOR REMUNERATION OUTCOMES FOR FY2024

The Group delivered strong financial and operational performance in FY2024. Financial and non-financial strategic performance metrics were met and/or exceeded with the following noteworthy highlights:

- EBITDA: R2.1 billion (+19% year-on-year)
- EDITDA margin: 11% (FY2023: 9.6%)
- Normalised HEPS: 744 cps (+35% year-on-year)\*
- ROIC: 22.4% (FY2023: 19.1%)\*\*
- Maintained a level 4 B-BBEE contribution status and was certified as a top gender empowered Company in 2023
- Advanced environmental sustainability initiatives with significant progress made in projects that reduce waste to landfill
- Upgraded 356 childhood educational facilities and R26 million of direct and indirect funding for employee training initiatives
- Donated R53 million towards the alleviation of hunger and disaster relief nutrition by providing c.29 million meals
- Created more than 128 jobs by means of an Enterprise Development Programme in bakery distribution

On the back of this excellent performance, the Committee determined that the Group's FY2024 short-term incentive (STI) stretch net equity value target<sup>^</sup> of R11.9 billion had been achieved. The Committee considered the performance of each executive director and approved incentives based on the aggregated score prescribed in the STI scheme rules. There were no adjustments to the formula, which was based on previously approved performance conditions.

### FOCUS AREAS AND KEY DECISIONS OF THE COMMITTEE DURING AND IN RESPECT OF FY2024

During the period under review, the Committee met on four occasions to provide the strategic guidance and the approvals detailed below:

#### Focus areas and key decisions

##### 2024 salary adjustments

- Approved executive director salary increases
- Monitored and approved aggregate increases for employees and members of executive management

##### Wage negotiations

- Oversaw wage negotiations with recognised trade unions

##### Short-term incentives (STI)

- Reviewed and approved the Group's performance for FY2024, as well as the performance of each executive director. Based on achieved targets, the Committee approved the award of STIs in line with the approved incentive scheme rules
- Approved STI performance conditions and targets for FY2025

##### Long-term incentives (LTI)

- Approved the award of LTIs to select members of executive and senior management based on individual performance and retention requirements

##### Non-executive directors' remuneration

- Reviewed and recommended non-executive director fees for approval by shareholders at the AGM

##### Governance

- Reviewed the implementation of the remuneration policy
- Determined that no malus and clawback trigger events arose in FY2024
- Reviewed the committee's terms of reference and the FY2024 remuneration report and recommended same to the Board for approval

\* Prior year normalised HEPS were adjusted for foreign exchange gains on cash and loans of a funding nature of R60 million and by the reversal of accrued withholding tax on preference dividends of R43 million to profit on the conversion of the redeemable preference shares to ordinary shares. These items were once-off items that were included in the prior year net profit.

\*\* Refers to ROIC adjusted for the historical revaluation of intangibles.

<sup>^</sup> Calculated as set out on page 107.

## Remuneration report continued

### REMUNERATION CONSULTANTS

Our remuneration policy and practices, including salary increases, incentives and benefits, are periodically benchmarked against the broader market, the industry, and a defined comparator group to ensure that our remuneration trends are internally equitable and externally competitive.

### STAKEHOLDER ENGAGEMENT

During FY2024, the Company engaged with key institutional shareholders and their representatives to discuss key changes to the remuneration policy and its implementation ahead of the September 2023 AGM and the December 2023 general meeting. The voting results that followed these engagements are summarised below:

	Remuneration Policy	Implementation Report	New Share Appreciation Rights Plan
2023 Annual General Meeting	97.39% in favour	98.79% in favour	-
2023 General Meeting	-	-	100% in favour

We are grateful to our shareholders for their valuable input and the positive feedback received regarding the remuneration policy and remain committed to proactive engagement with them going forward.

In accordance with King IV requirements, shareholders will again have the opportunity to review and approve the Group's remuneration policy and implementation report at the AGM on 4 September 2024, where both documents will be presented for separate non-binding advisory votes.\* If the remuneration policy and/or implementation report are voted against by 25% or more of the voting rights exercised at the AGM, the Committee will further engage with shareholders to fully understand the reasons for dissenting votes and address any legitimate and reasonable objections raised.

### CONCLUSION

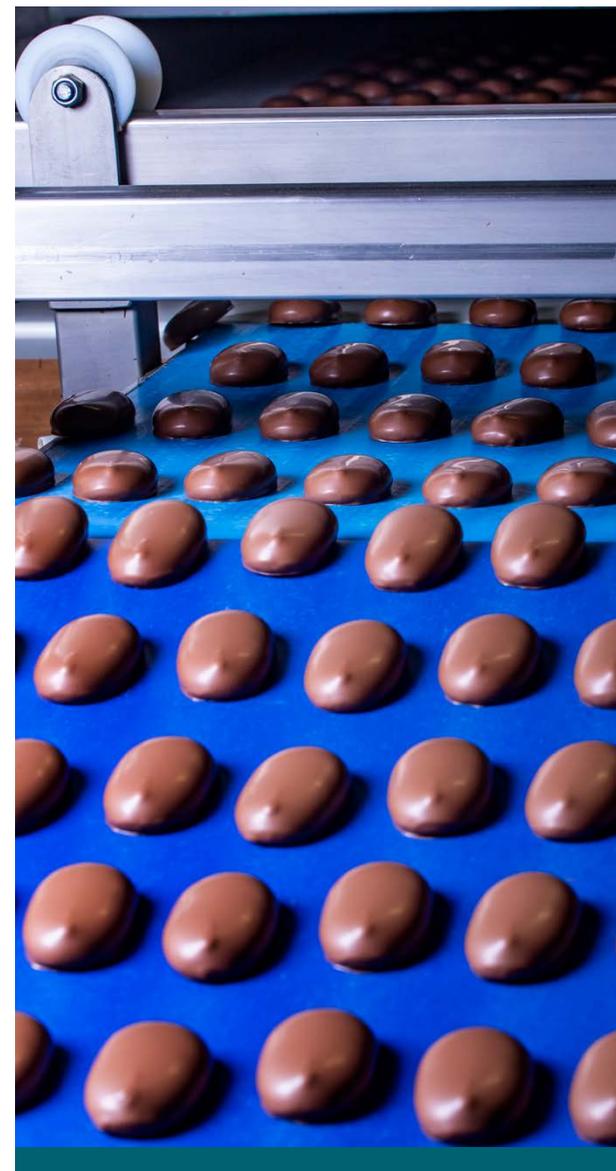
The Committee is satisfied that the remuneration policy achieved its stated objectives in FY2024.

Yours Sincerely,

**J Matthews**

*Remuneration and Nomination Committee Chair*

\* The related resolutions are set out in the 2024 AGM Notice.



## Remuneration report continued

### PART 2:

### Overview of our remuneration policy

This section of the report provides an overview of Premier's remuneration philosophy and principles in respect of all employees and the detailed principles applicable to the executive and non-executive directors and, in certain instances, other members of executive and senior management.

#### REMUNERATION GOVERNANCE

The Committee is appointed by the Board and operates independently of executive management. It provides oversight and makes decisions regarding remuneration-related matters within its mandate. Where relevant and required, the Committee makes recommendations to the Board for its consideration and final approval.

The Committee oversees the development and implementation of the Group's remuneration policy. This includes agreeing appropriate financial and non-financial performance targets on an annual basis to ensure that superior performance is rewarded and linked to shareholder expectations, while attracting, motivating and retaining executives with appropriate expertise to drive the long-term growth and success of Premier. The Committee also reviews and approves any material changes to employee remuneration and benefit structures, ensuring that the Group's remuneration practices are responsible, internally equitable and externally competitive.

The Committee ensures that Premier's remuneration reporting is clear, comprehensive and transparent, and recognises the need for continuous improvement in this regard. As such, it reviews and approves the remuneration disclosures in the integrated report and any other disclosures required by King IV, the Companies Act and the JSE Listings Requirements. Going forward, the Committee will consider the results of the non-binding advisory votes on the remuneration policy and the implementation report and respond meaningfully to feedback from shareholders.

The composition of the Committee and the attendance of meetings by its members during FY2024 are set out on page 36 of the governance report.

#### REMUNERATION PHILOSOPHY AND POLICY OBJECTIVES

The following policy objectives shape Premier's remuneration philosophy:

- Recruit, retain, motivate and grow high performing employees to achieve Premier's strategic objectives/priorities
- Ensure that all employees are recognised and rewarded for their performance in a fair, equitable and consistent manner
- Ensure that remuneration and benefits are competitive within our industry
- Reward employees for achieving predetermined business and personal performance targets, and ensure that remuneration is aligned thereto
- Ensure that employee costs are within budget and are therefore sustainable



## Remuneration report continued

### REMUNERATION STRUCTURE

Our remuneration structure has three main components:

- Fixed remuneration: Guaranteed pay, which includes a basic salary and benefits
- Variable remuneration: Short-term incentives
- Variable remuneration: Long-term incentives



### FIXED REMUNERATION: GUARANTEED PAY (GP)

Element	Description
Objective	<ul style="list-style-type: none"> <li>• GP is a core component of remuneration and reflects the market value of the role, with increases linked to Group and individual performance.</li> </ul>
Components	<ul style="list-style-type: none"> <li>• GP, which is structured into a basic salary and the following benefits where applicable:               <ul style="list-style-type: none"> <li>- Employer retirement and/or pension fund contributions</li> <li>- Employer medical aid contributions</li> <li>- Group risk (death, disability and impairment) and funeral cover</li> <li>- Cell phone and travel allowances</li> </ul> </li> </ul>
Positioning	<ul style="list-style-type: none"> <li>• GP is typically positioned at the market median. To ensure that the Group is able to attract and retain scarce and critical skills as well as top talent in a competitive job market, the Group aims to remunerate these positions at GP levels between the 50th and 75th percentiles.</li> </ul>
Payment	<ul style="list-style-type: none"> <li>• Monthly payment in cash.</li> </ul>
Reviews and annual increases	<ul style="list-style-type: none"> <li>• GP is reviewed annually and increases take effect in July each year. Annual increases consider factors including prevailing economic conditions, consumer price inflation, Group performance and affordability.</li> </ul>



## Remuneration report continued

### VARIABLE REMUNERATION: SHORT-TERM INCENTIVE

Element	Description																																
Objective	<ul style="list-style-type: none"> <li>The STI recognises and rewards qualifying employees for Group and individual performance.</li> </ul>																																
Eligibility	<ul style="list-style-type: none"> <li>Executive directors, executive and senior managers, and non-bargaining unit staff. Bargaining unit staff receive guaranteed 13th cheques.</li> </ul>																																
Overview	<ul style="list-style-type: none"> <li>Participants are awarded an annual cash bonus that is fully linked to performance and targets aligned with Premier's short-term strategic objectives. Annual cash bonuses are payable in two tranches, with the first tranche paid at the end of November (post release of the Group's interim results) and the second tranche paid at the end of June (post release of the Group's annual results).</li> <li>In respect of financial and non-financial performance metrics that make up the performance score, linear vesting applies between vesting levels, up to a capped percentage* of eligible variable pay at 105% of the Group's budgeted performance.</li> <li>Performance is measured biannually over a 12-month period, coinciding with the Group's financial year. Company performance measures are cascaded into each participant's individual scorecard, and the participants performance is assessed against their scorecard as part of the Group's performance management process. Participants must achieve an individual performance score of <math>\geq 2.5</math> out of 5 in order to qualify for participation in the STI.</li> <li>Minimum net equity value is the overriding condition of the STI scheme and must be achieved prior to the award of any STIs. Minimum net equity value is calculated using the following formula: <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="background-color: #004a6b; color: white;">Minimum net equity value</td> <td>=</td> <td style="background-color: #d9e1f2;">Budgeted EBITDA</td> <td>x</td> <td style="background-color: #d9e1f2;">Defined valuation multiple of 7.6x</td> <td>-</td> <td style="background-color: #d9e1f2;">Budgeted net debt</td> </tr> </table> </li> </ul>	Minimum net equity value	=	Budgeted EBITDA	x	Defined valuation multiple of 7.6x	-	Budgeted net debt																									
Minimum net equity value	=	Budgeted EBITDA	x	Defined valuation multiple of 7.6x	-	Budgeted net debt																											
Operation	<p>Once targeted minimum net equity value has been achieved, each participant's bonus is determined by way of the following formula:</p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="background-color: #004a6b; color: white;">Annual GP</td> <td>x</td> <td style="background-color: #d9e1f2;">On target or stretch target % of GP</td> <td>x</td> <td style="background-color: #d9e1f2;">Performance multiplier</td> <td>=</td> <td style="background-color: #d9e1f2;">Annual STI</td> </tr> <tr> <td></td> <td></td> <td style="background-color: #004a6b; color: white;">Based on role</td> <td></td> <td style="background-color: #004a6b; color: white;">Based on role</td> <td></td> <td></td> </tr> </table> <p><b>ON TARGET PERFORMANCE VS STRETCH TARGET PERFORMANCE:</b></p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th></th> <th style="background-color: #d9e1f2;">Maximum STI award for on-target performance**</th> <th style="background-color: #d9e1f2;">Maximum STI award for stretch-target performance***</th> </tr> </thead> <tbody> <tr> <td style="background-color: #004a6b; color: white;">CEO</td> <td>140% of GP</td> <td>210% of GP</td> </tr> <tr> <td style="background-color: #004a6b; color: white;">CFO</td> <td>110% of GP</td> <td>160% of GP</td> </tr> </tbody> </table> <p><b>PERFORMANCE CONDITION WEIGHTINGS:</b></p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th></th> <th style="background-color: #d9e1f2;">Company performance weighting</th> <th style="background-color: #d9e1f2;">Individual performance weighting</th> </tr> </thead> <tbody> <tr> <td style="background-color: #004a6b; color: white;">CEO</td> <td>80%</td> <td>20%</td> </tr> <tr> <td style="background-color: #004a6b; color: white;">CFO</td> <td>80%</td> <td>20%</td> </tr> </tbody> </table>	Annual GP	x	On target or stretch target % of GP	x	Performance multiplier	=	Annual STI			Based on role		Based on role				Maximum STI award for on-target performance**	Maximum STI award for stretch-target performance***	CEO	140% of GP	210% of GP	CFO	110% of GP	160% of GP		Company performance weighting	Individual performance weighting	CEO	80%	20%	CFO	80%	20%
Annual GP	x	On target or stretch target % of GP	x	Performance multiplier	=	Annual STI																											
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	Company performance weighting	Individual performance weighting																															
CEO	80%	20%																															
CFO	80%	20%																															

\* Eligible variable pay is capped at 210% of GP for the CEO, 160% of GP for the CFO and up to 90% of GP for all other entitled employees should the stretch-target performance be achieved.

\*\* On-target performance: payable if the Group achieves 100% of its budgeted performance.

\*\*\* Stretch-target performance: payable if the Group achieves 105% of its budgeted performance.

## Remuneration report continued

Payment	<ul style="list-style-type: none"> <li>Performance is assessed and bonuses paid biannually. In the event that stretch targets are achieved for the financial year in question, employees are only rewarded for this out performance in the second tranche of the cash bonus payments.</li> <li>In respect of executive directors and members of executive and senior management, 50% of the total STI earned is deferred for a period of 12 months.</li> <li>Payment is contingent on the participant's good standing and continued employment with the Group.</li> </ul>
Approval	<ul style="list-style-type: none"> <li>Overall, STIs are approved by the Committee on the recommendation of executive management.</li> </ul>

### VARIABLE REMUNERATION: LONG-TERM INCENTIVES

LTIs, together with deferred STI awards, encourage retention and a long-term commitment to building sustainable value among members of executive and senior management. Our LTI schemes currently comprise a cash settled share appreciation rights (SARs) scheme, an equity settled SARs scheme and executive share investment programmes.

### CASH SETTLED SHARE APPRECIATION RIGHTS SCHEME (SARs)

Element	Description
Eligibility	<ul style="list-style-type: none"> <li>Members of senior management on an annual basis.</li> </ul>
Overview	<ul style="list-style-type: none"> <li>Participants are awarded SARs as a proxy for shares in the Company.</li> <li>Once exercised and post the deduction of all applicable income taxes, SARs are cash settled based on the appreciation of their underlying value between issue and exercise dates.</li> <li>If the headline earnings per share (HEPS) does not increase in value by more than the compound annual growth rate of CPI by their exercise date, the SARs will have no value and no payment will be due or payable to the holder thereof.</li> </ul>
Vesting	<ul style="list-style-type: none"> <li>50% of awarded SARs vest on the fourth anniversary of their issue date and the remaining 50% on the fifth anniversary. Once SARs have vested, they are exercisable in tranches of 50% or 100% up until the eighth anniversary of their issue date.</li> <li>Vesting of SARs is contingent upon the participant's good standing and continued employment with the Group.</li> </ul>
Valuation	<ul style="list-style-type: none"> <li>Issued at the market value of Premier's ordinary shares based on the following calculation: Price per share = equity value (being enterprise value less net debt)/number of ordinary shares. Net debt, for the purposes of this calculation, is adjusted for dividends paid to shareholders. The value of these SARs will be similarly calculated on the date on which they are exercised.</li> </ul>
Approval	<ul style="list-style-type: none"> <li>Awarded at the discretion of the Committee.</li> </ul>

## Remuneration report continued

### EQUITY SETTLED SHARE APPRECIATION RIGHTS PLAN

Element	Description
Eligibility	<ul style="list-style-type: none"> <li>Members of senior management on an annual basis.</li> <li>Executive directors and other members of executive management on an <i>ad hoc</i> basis at the discretion of the Committee.</li> </ul>
Overview	<ul style="list-style-type: none"> <li>Participants are awarded SARs as a proxy for ordinary shares in the Company.</li> <li>Once exercised and post the deduction of all applicable income taxes, SARs are equity settled based on the appreciation of their underlying value between award and exercise dates.</li> <li>If headline earnings per share (HEPS) do not increase in value by more than the compound annual growth rate of CPI by their exercise date, the SARs will have no value and no settlement will be due or payable to the holder thereof.</li> <li>The aggregate number of shares that may be settled under this plan may not exceed 6 445 290 ordinary shares (being approximately 5% of the issued ordinary share capital of the Company).</li> <li>The maximum number of shares which any one participant may receive in terms of the plan shall not exceed 1 932 870 ordinary shares (being approximately 1.5% of the issued ordinary share capital of the Company).</li> </ul>
Vesting	<ul style="list-style-type: none"> <li>50% of awarded SARs vest on the fourth anniversary of their issue date and the remaining 50% on the fifth anniversary. Once SARs have vested, they are exercisable in tranches of 50% or 100% up until the eighth anniversary of their issue date.</li> <li>Vesting of SARs is contingent upon the participant's good standing and continued employment with the Group.</li> </ul>
Valuation	<ul style="list-style-type: none"> <li>Issued at a value / strike price determined at the discretion of the Committee on the award date. SARs will be equal to the difference between the Company's closing share price on the business day immediately preceding the exercise date, less the strike price.</li> </ul>
Approval	<ul style="list-style-type: none"> <li>Awarded at the discretion of the Committee.</li> </ul>

## Remuneration report continued

### EXECUTIVE SHARE INVESTMENT PROGRAMMES

Element	Description
Eligibility	<ul style="list-style-type: none"> <li>Executive directors and members of executive management.</li> </ul>
Overview	<ul style="list-style-type: none"> <li>Through the provision of notional vendor financing (NVF), participants subscribed for “A” and/or “A1” unlisted ordinary shares in the Company, each of which will automatically convert into ordinary shares on a defined conversion date. The “A” and “A1” ordinary shares shall convert into such number of ordinary shares that equal the market value of the underlying shares, less the corresponding NVF loan amount, in accordance with the conversion ratio set out in the share terms.</li> </ul>
Conversion date	<ul style="list-style-type: none"> <li>The conversion date shall be the earlier of:               <ul style="list-style-type: none"> <li>– 1 April 2027; or</li> <li>– the date immediately preceding the date on which any person other than Brait Mauritius Limited or Titan Premier Investments Proprietary Limited (or their respective related persons) obtain the ability to exercise more than 35% of the voting rights in the Company; or</li> <li>– the disposal of the Group’s business and assets to a <i>bona fide</i> third party in circumstances requiring shareholder approval in terms of section 122 of the Companies Act.</li> </ul> </li> </ul>
NVF loans	<ul style="list-style-type: none"> <li>The NVF loans in respect of the “A” ordinary shares equate to an amount equal to 85% of the ordinary share market value on the date on which the “A” ordinary shares were issued, plus notional interest thereon which accrues daily at the prime lending rate less 1% from the date of issue until the conversion date and shall be calculated, capitalised and compounded monthly in arrears.</li> <li>The NVF loans in respect of the “A” ordinary shares equate to an amount equal to the ordinary share market value on the date on which the ‘A1’ ordinary shares were issued, plus notional interest thereon which accrues daily at the prime lending rate less 1% from the date of issue until the conversion date and shall be calculated, capitalised and compounded monthly in arrears.</li> </ul>
Approval	<ul style="list-style-type: none"> <li>Awarded at the discretion of the Committee.</li> </ul>
Right to receive cash distributions	<ul style="list-style-type: none"> <li>Holders of the “A” and “A1” ordinary shares have the right to receive cash distributions each time the Board authorises a distribution to the Company’s ordinary shareholders. These distributions are determined in relation to the number of ordinary shares that equal the value of the “A” and “A1” ordinary shares on the distribution date, as detailed in the share terms.</li> </ul>

### REMUNERATION OF EXECUTIVE DIRECTORS

Remuneration of our executive directors is structured on a total remuneration basis that includes guaranteed pay, short- and long-term incentives and is designed to support alignment with the Company’s strategy and financial and operational performance targets. The mix is aimed at ensuring an optimal balance of remuneration between guaranteed pay and variable incentives.

## Remuneration report continued

### LINKING PAY TO PERFORMANCE

The graphs below illustrate the potential remuneration outcomes for executive directors at target and stretch levels of performance in FY2025. If a target level of performance is not achieved, only the guaranteed pay indicated will be payable.

The FY2024 SARs allocations made to executive directors will only vest from FY2028 onwards and as such, the LTI will have no impact on the outcomes listed below.

CEO (R'000)	Target	8 348	11 687*
	Stretch	8 348	17 530**

\* STI at 140% of guaranteed pay.

\*\* STI at 210% of guaranteed pay.

CFO (R'000)	Target	5 843	6 428*
	Stretch	5 843	9 349**

\* STI at 110% of guaranteed pay.

\*\* STI at 160% of guaranteed pay.

GP

STI

### MALUS AND CLAWBACK

Premier introduced a Malus and Clawback Policy during FY2023. Under the policy, all variable incentives allocated to executive directors are subject to malus and clawback conditions. Accordingly, and in the event that a trigger event occurs, the Committee may reduce incentives payable to executive directors prior to the payment or vesting thereof (malus) and/or require the recovery or repayment of awards already made (clawback), including the surrender of any shares acquired under the Group's incentive schemes. Clawback applies for a period of two years after the vesting of any variable incentive award.

### EXECUTIVE DIRECTOR SERVICE AGREEMENTS

Executive directors are on standard employment contracts with three-month notice periods. There are no contractual arrangements for balloon payments or other special severance payments or loss of office payments on termination of employment for underperformance. In respect of early termination, there is no automatic entitlement to bonuses or incentives, and any such payments are made at the discretion of the Committee. Should Premier elect to enforce same, executive directors are subject to 12-month restraints of trade and will be paid their normal remuneration during these periods.

### SIGN-ON AND RESTRAINT OF TRADE PAYMENTS

The Group may make buy-out awards (sign-on and/or restraint of trade) to new executive directors and key employees to enable it to attract and secure necessary talent. It is acknowledged that it may in certain instances be necessary to compensate such employees for the loss of unpaid bonuses or unvested incentive awards due to them leaving their previous employment. These awards are made in exceptional circumstances at the discretion of the Committee.

## Remuneration report continued

### REMUNERATION OF NON-EXECUTIVE DIRECTORS

Non-executive directors are appointed in terms of the Company's MOI. They do not have employment contracts with the Company, do not receive performance-related remuneration or benefits and do not participate in any of the Group's incentive schemes. Non-executive director fees are reviewed annually based on inflation and other market conditions. The fee proposals endorsed by the Board are proposed at the AGM for shareholder approval. Non-executive director fees are paid in cash and non-executive directors are additionally reimbursed for travel and other business-related expenses. The non-executive director fees below are proposed in respect of FY2025. The fees are exclusive of VAT, which will be added in accordance with current VAT legislation where applicable.

	Total annual fees: Based on no. of scheduled meetings R'000	Annual retainer R'000	Per meeting fee R'000	No. of scheduled meetings
<b>Board</b>				
Chair	990	396	99	6
Lead independent director	728	290	73	6
Member	461	185	46	6
<b>Audit and Risk Committee</b>				
Chair	297	132	33	5
Member	146	66	16	5
<b>Remuneration and Nomination Committee</b>				
Chair	210	106	26	4
Member	105	53	13	4
<b>Social and Ethics Committee</b>				
Chair	185	74	37	3
Member	105	42	21	3

\* Depending on the number of meetings held per annum, the actual fees payable to directors may be higher or lower than the total fees depicted in the table above.

## Remuneration report continued

### PART 3:

### Remuneration implementation report

This section of the report outlines the implementation of the Group's remuneration policy in FY2024. We report on the inflation-linked increases in guaranteed pay and the variable incentives approved for executive directors. We also disclose total figure remuneration and provide a schedule of shares held by executive directors in line with the applicable requirements of King IV. We conclude with the remuneration of non-executive directors, as required by the Companies Act.

During the year under review, there were no deviations from the Group's remuneration policy.

#### FIXED REMUNERATION: GUARANTEED PAY

##### ANNUAL SALARY INCREASES

In determining annual salary increases, the Committee considered, amongst others, annual consumer price inflation and current economic conditions, the performance of the Group and the affordability of the increased salary cost. The Committee approved an average salary increase mandate of 5.5% in FY2024.

#### SHORT-TERM INCENTIVE

##### OVERALL SHORT-TERM INCENTIVE

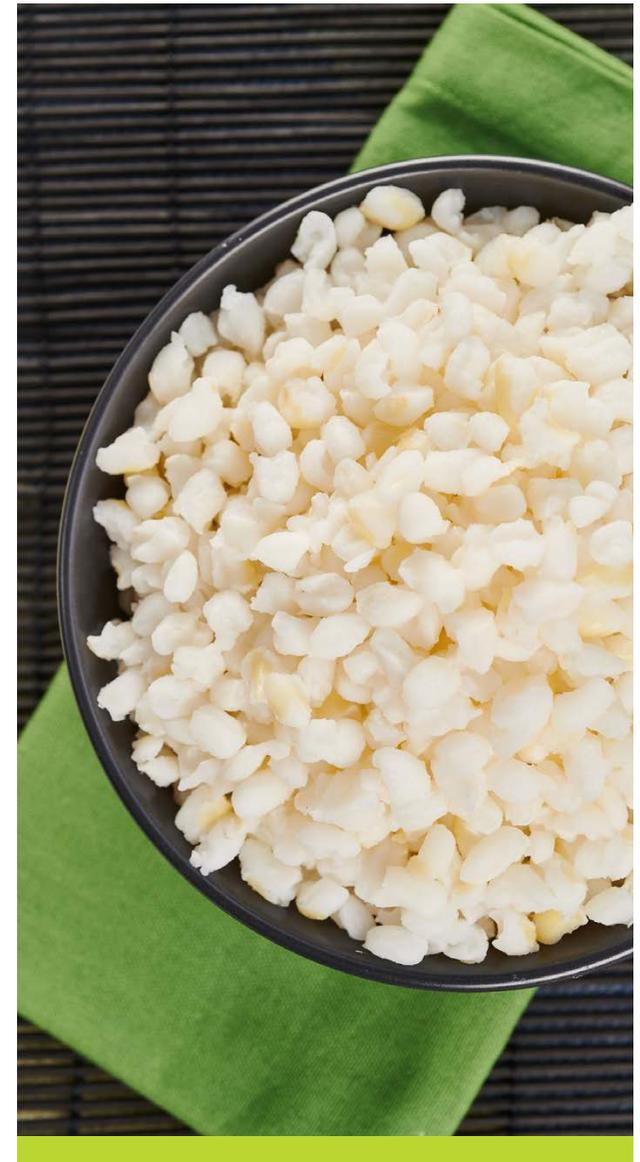
An overall STI of R159 million was approved by the Committee in respect of the reporting period ended 31 March 2024 (FY2023: R125 million), R48 million of which will be deferred for payment in 2025 in accordance with the STI scheme rules.

#### EXECUTIVE DIRECTOR SHORT-TERM INCENTIVES

Based on the achievement of stretch performance targets in FY2024, executive directors STIs were approved by the Committee as follows:

	CEO R'000	CFO R'000
Gross STI	16 616	8 862
Total STI as a % of annual GP	210%	160%

\* In accordance with the terms of the STI policy, 50% of the total STI earned will be deferred for a period of 12 months.



## Remuneration report continued

### LONG-TERM INCENTIVES

#### CASH SETTLED SHARE APPRECIATION RIGHTS SCHEME

During FY2024, no new cash-settled SARs were awarded, 350 were exercised and 190 forfeited. Movements in the cash-settled share appreciation rights scheme during FY2024 are summarised below:

	Number of SARs	Value of SARs R'000
1 April 2023	10 780	58 300
Awarded during the year	-	-
Exercised during the year	350	24 882
Forfeited during the year*	190	1 337
31 March 2024	10 240	68 966

\* SARs forfeited by participants no longer in the employ of the Group.

#### EQUITY SETTLED SHARE APPRECIATION RIGHTS PLAN

Details of SARs awarded under the equity settled share appreciation rights plan in FY2024 are summarised below:

	Strike price	Rights at 31 March 2023	Rights awarded during FY2024	Rights at 31 March 2024	Average fair value per SAR awarded	Rights exercisable at 31 March 2024
14 December 2023	R59.33	-	674 195	674 195	R15.28	-
6 November 2023	-	-	337 096	337 096	R46.78	-
21 July 2023	R56.71	-	1 477 500	1 477 500	R14.77	-
21 July 2023	-	-	2 711 958	2 711 958	R45.79	-
Total		-	5 200 749	5 200 749		-

## Remuneration report continued

### EQUITY SETTLED SHARE APPRECIATION RIGHTS PLAN (EXECUTIVE DIRECTORS)

As set out in the Integrated Annual Report for FY2023, during FY2024, executive directors were awarded the following SARs under the equity settled share appreciation rights plan:

	Award date	Strike price	Vesting date	Rights at 31 March 2023	Rights awarded during FY2024	Rights at 31 March 2024	Fair value per SAR awarded	Rights exercisable at 31 March 2024
CEO	21 July 2023	R0.00	July 2027	-	367 491	367 491	R46.88	-
	21 July 2023	R0.00	July 2028	-	367 491	367 491	R44.70	-
CFO	21 July 2023	R0.00	July 2027	-	206 511	206 511	R46.88	-
	21 July 2023	R0.00	July 2028	-	206 511	206 511	R44.70	-
	21 July 2023	R56.71	July 2027	-	87 500	87 500	R14.11	-
	21 July 2023	R56.71	July 2028	-	87 500	87 500	R15.43	-

### EXECUTIVE SHARE INVESTMENT PROGRAMMES (EXCLUDING EXECUTIVE DIRECTORS)

Members of the Company's executive committee, excluding executive directors, hold the following shares under the executive share investment programmes:

	Acquisition/Issue date	Number of shares	Subscription price R	Equivalent ordinary shares at 31 March 2024
"A" ordinary shares	30 September 2020	6 762	1 035	512 352
"A" ordinary shares	15 November 2023	749	1 407	56 751
"A1" ordinary shares	21 June 2022	13 080	0.01	-

## Remuneration report continued

### EXECUTIVE SHARE INVESTMENT PROGRAMMES (EXECUTIVE DIRECTORS)

During FY2024, executive directors acquired the following shares under the executive share investment programmes. The shares were purchased from a major subsidiary of the Company that had repurchased these from an “A” shareholder, the details of which were disclosed on SENS on 21 November 2023:

	Acquisition/Issue date	Number of shares	Subscription price R	Equivalent ordinary shares at 31 March 2024
<b>CEO</b>				
“A” ordinary shares	15 November 2023	110	1 407	8 335
<b>CFO</b>				
“A” ordinary shares	15 November 2023	107	1 407	8 107

Following the above acquisition, executive directors now hold the following shares under the executive share investment programmes:

	Acquisition/Issue date	Number of shares	Subscription price R	Equivalent ordinary shares at 31 March 2024
<b>CEO</b>				
“A” ordinary shares*	30 September 2020	5 797	1 035	439 235
“A” ordinary shares	15 November 2023	110	1 407	8 335
“A1” ordinary shares	21 June 2022	5 730	0.01	-
<b>CFO</b>				
“A” ordinary shares*	26 August 2021	1 932	4 530	146 386
“A” ordinary shares	15 November 2023	107	1 407	8 107
“A1” ordinary shares	21 June 2022	2 000	0.01	-

\* At the time of subscribing for these “A” ordinary shares, the CEO and CFO simultaneously subscribed for ordinary shares in the Company. They invested a total of R9.5 million and R9.2 million respectively in these share subscriptions.

## Remuneration report continued

### REMUNERATION OF EXECUTIVE DIRECTORS

#### SINGLE VIEW EXECUTIVE DIRECTOR REMUNERATION

In line with King IV, we disclose a single view of executive directors' remuneration received in FY2024, compared to that received in FY2023. Executive directors did not receive LTIs in FY2023. The FY2024 SARs allocations made to executive directors will only vest from FY2028 onwards and as such, the LTI had no impact on the outcomes listed below.

		Basic salary R'000	Other benefits* R'000	Retirement fund contributions R'000	STI** R'000	Total R'000
FY2024	CEO	7 713	123	-	11 038	18 874
	CFO	5 257	270	-	4 774	10 301
	Total	12 970	393	-	15 812	29 175
FY2023	CEO	6 153	135	183	6 606	13 077
	CFO	4 389	264	132	2 059	6 844
	Total	10 542	399	315	8 665	19 921

\* Other benefits include travel allowances and medical benefits.

\*\* Bonus payments made in FY2024 relate to the prior financial year and where applicable, include the deferred portion of the FY2022 STI.

## Remuneration report continued

### REMUNERATION OF NON-EXECUTIVE DIRECTORS

Below is a summary of the fees paid to non-executive directors in FY2024, as disclosed in note 34 of the consolidated annual financial statements.

	Board		Audit and Risk Committee		Remuneration and Nomination Committee		Social and Ethics Committee		Ex Gratia* R'000	Sub-total R'000	VAT R'000	Total R'000
	Retainer R'000	Meeting R'000	Retainer R'000	Meeting R'000	Retainer R'000	Meeting R'000	Retainer R'000	Meeting R'000				
I van Heerden <sup>1</sup>	289	413	-	-	46	50	-	-	-	798	120	918
D Ferreira <sup>2</sup>	53	88	-	-	8	-	-	-	-	149	-	149
R Hartmann <sup>3</sup>	-	-	-	-	-	-	-	-	-	-	-	-
P Hayward-Butt <sup>4</sup>	-	-	-	-	-	-	-	-	-	-	-	-
F Khanyile <sup>5</sup>	175	263	63	78	-	-	23	20	53	675	101	776
J Matthews <sup>6</sup>	175	263	63	78	61	25	40	80	-	785	-	785
H Ramsumer <sup>7</sup>	175	263	125	156	-	-	-	-	155	874	85	959
C Roodt <sup>8</sup>	258	400	-	-	45	50	-	-	225	978	147	1 125
W Sihlobo	175	263	-	-	-	-	70	105	75	688	-	688
<b>Total</b>	<b>1 300</b>	<b>1 953</b>	<b>251</b>	<b>312</b>	<b>160</b>	<b>125</b>	<b>133</b>	<b>205</b>	<b>508</b>	<b>4 947</b>	<b>453</b>	<b>5 400</b>

\* Ex gratia payments made to the independent non-executive directors for additional meetings attended in preparation for the Company's listing in March 2023.

1. I van Heerden's Board retainer was pro-rated to account for the period during which he was a Board member (1 April 2023 to 5 September 2023) and the period during which he was the Board Chair (6 September to 31 March 2024). His Remuneration and Nomination Committee retainer was similarly pro-rated with effect from 1 May 2023, the date on which he was appointed as a member of the Committee. His director fees are payable to Oryx Partners Proprietary Limited.
2. D Ferreira's Board retainer was pro-rated with effect from 12 December 2023, the date on which he was appointed to the Board. His Remuneration and Nomination Committee retainer was pro-rated with effect from 1 February 2024, the date on which he was appointed as a member of the Committee.
3. R Hartmann resigned as a non-executive director of the Board on 5 September 2023. He was not compensated by the Company or any other Company within the Group during his tenure as a director.
4. P Hayward-Butt is an alternate director. He was not compensated by the Company or any other Company within the Group in FY2024.
5. F Khanyile's Social and Ethics Committee retainer was pro-rated with effect from 6 September 2023, the date on which she was appointed as a member of the Committee.
6. J Matthews Remuneration and Nomination Committee retainer was pro-rated to take into account his resignation from the Committee with effect from 30 April 2023 and thereafter his appointment as chair of the Committee with effect from 6 September 2023. His director fees are payable to Brait Mauritius Limited.
7. H Ramsumer registered for and started charging VAT on his non-executive director fees with effect from July 2023.
8. C Roodt's Board retainer was pro-rated to account for the period during which he was the Board Chair (1 March 2023 to 5 September 2023) and the period during which he was a Board member (6 September 2023 to 31 January 2024). His Remuneration and Nomination Committee retainer was similarly pro-rated considering his resignation from the Committee on 31 January 2024.



## 06



# Supplementary Information

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# ESG data summary

## Our Environmental, Social and Governance performance measures\*

	FY2024	FY2023
<b>GOVERNANCE</b>		
Number of Board members	8	9
Number of non-executive Board members	6	7
Number of executive Board members	2	2
Number of independent Board members	4	4
Number of Board members who are ACI	3	3
Number of Board members who are women	1	1
Average Board meeting attendance %	100	90
Average Committee meeting attendance %	100	100
Name of auditors	PwC	PwC
Length of current auditor's service years	6	5
Independence of Board Chairman	No	Yes
Shareholder approval for executive remuneration	AGM	AGM

	FY2024	FY2023
<b>HEALTH AND SAFETY</b>		
Number of fatalities (injuries on duty leading to death)	1	-
Number of medical treatment cases (MTC) (no lost days)	47	49
Number of lost time injuries (LTIs) (at least one lost day)	102	115
Total number of recordable injuries, including MTCs, LTIs and fatalities	150	164
Disabling (Lost Time) injury frequency rate (DIFR i.e. number of LTIs per 200 000 person hours worked)	0.82	0.94
Number of occupational health and safety audits conducted**	90	89

	FY2024	FY2023
<b>LABOUR</b>		
Total number of employees - Permanent	7 892	7 907
Total number of employees - Permanent (SA only)	6 636	6 655
Total number of employees - Permanent (Outside SA)	1 256	1 252
Total number of employees - Contracted	736	364
Total number of employees - All	8 628	8 271
Employees who are permanent %	91	96
Employees who belong to a trade union %	47	44
Rand value of training spend R'm	26	22
Training and development spend per FTE	3 257	2 741
Total number of training attendances (internal and external)	3 438	3 016
Total number of employees on learnerships	327	247
Total number of employees on apprenticeships	65	47
Total number of internships	37	14
Learnership, apprenticeship and internship candidates who are ACI %	97	97
Number of people promoted internally	276	378
Total number of person days lost to industrial action	-	-

	FY2024	FY2023
<b>CSI EXPENDITURE</b>		
CSI spend - Total R'm	53	67
B-BBEE ownership %	5.1	5.1

\* These reporting metrics have been disclosed applying the recommendations of the JSE Sustainability Disclosure Guidance.

\*\* The health and safety audits, including electrical audits, are done internally by the central risk department.

## ESG data summary continued

### Our Environmental, Social and Governance performance measures continued

		FY2024	FY2023
<b>ENVIRONMENTAL</b>			
<b>Energy</b>			
Total volume of electricity purchased	MWh	169 890	180 123
Total volume of electricity self-generated	MWh	1 232	299
Total volume of electricity consumed	MWh	171 122	180 422
Energy from renewable sources	%	0.7	0.2
Total diesel consumption	KL	13 023	13 876
Total gas consumption	GJ	253 210	255 887
Total polyfuel consumption	KL	19	541
Total coal consumption	tonnes (000's)	3 027	3 342
<b>Carbon footprint</b>			
Scope 1	tCO <sub>2</sub> e	81 601	86 853
Scope 2	tCO <sub>2</sub> e	171 580	187 313
Carbon emissions - Scope 1 and 2	tCO <sub>2</sub> e	253 181	274 166
Carbon tax liability*	R'm	2.12	1.95
<b>Water</b>			
Total water consumption	ML	1 456	1 240
Total municipal water consumption	ML	634	674
Total borehole consumption	ML	822	566
<b>Waste</b>			
Total volume of non-hazardous waste sent to landfill	tonnes	3 645	4 400
Total volume of hazardous waste sent to appropriate disposal sites	tonnes	173	179
Total volume of non-recycled waste	tonnes	3 818	4 579
Total volume of waste recycled	tonnes	1 851	1 569
- Paper and cardboard	tonnes	932	847
- Plastic	tonnes	515	474
- Metal/glass/other	tonnes	404	248
Waste recycled	%	98.9	98.5
Total volume of waste	tonnes	351 660	315 033
Levies for non-compliance	R'm	-	-

\* Carbon tax liability based on emissions generated during 2023 and 2022 calendar years.



# Glossary

## Abbreviations and definitions used in this report

### A

- ACI** : African, Coloured or Indian  
**AGM** : Annual General Meeting

### B

- B-BBEE** : Broad-Based Black Economic Empowerment  
**BML** : Brait Mauritius Limited  
**bps** : basis points

### C

- Capex** : Capital expenditure, including capital expenditure that was prepaid to suppliers for the upgrade of the Aeroton bakery.  
**CEO** : Chief Executive Officer  
**CFO** : Chief Financial Officer  
**CIM** : Companhia Industrial da Matola  
**CO<sub>2</sub>e** : Carbon dioxide equivalent  
**CPG** : Consumer packaged goods  
**cps** : cents per share  
**CSI** : Corporate social investment

### D

- DEIB** : Diversity, equity, inclusivity and belonging  
**DIFR** : Disabling injury frequency rate

### E

- EBITDA** : Earnings before interest, tax, depreciation, amortisation and abnormal items  
**ESG** : Environmental, social and governance

### F

- FMCG** : Fast moving consumer goods  
**FTE** : Full time employee  
**FY** : Financial year

### G

- GJ** : Gigajoule  
**GM** : Genetically modified

### H

- HPC** : Home and personal care

### I

- IT** : Information technology

### J

- JSE** : Johannesburg Stock Exchange Limited

### K

- Kl** : Kilotitre

### L

- LTI** : Long-term incentive  
**LTIs** : Lost time injuries

### M

- MI** : Megalitre  
**MWh** : Megawatt hour

### N

- NGO** : Non-governmental organisation

### O

- OHS** : Occupational health and safety

### R

- ROIC** : Return on average invested capital adjusted for the historical revaluation of intangibles  
**ROE** : Return on equity adjusted for the historical revaluation of intangibles  
**RSPO** : Roundtable on Sustainable Palm Oil

### S

- SARs** : Share Appreciation Rights  
**SKU** : Stock Keeping Unit  
**STI** : Short term incentive

### T

- tCO<sub>2</sub>e** : tonnes of carbon dioxide equivalent

### U

- UN SDGs** : United Nations Sustainable Development Goals  
**UK** : United Kingdom

# COMPANY INFORMATION

<b>Company name</b>	Premier Group Limited	<b>Bankers</b>	FirstRand Bank Limited, The Standard Bank of South Africa Limited, Nedbank Limited and Investec Bank Limited																
<b>Company registration number</b>	2007/016008/06	<b>Company Secretary</b>	Bronwyn Baker Email: <a href="mailto:companysecretary@premierfmcg.com">companysecretary@premierfmcg.com</a>																
<b>Country of incorporation and domicile</b>	Republic of South Africa	<b>Transfer secretaries</b>	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue Rosebank, 2196 Private Bag X9000, Saxonwold, 2132 Telephone +27 11 370 5000																
<b>JSE share code</b>	PMR	<b>Sponsor</b>	Rand Merchant Bank (a division of FirstRand Bank Limited) 1 Merchant Place, Cnr Fredman Drive and Rivonia Road, Sandton, 2196 PO Box 786273, Sandton, 2146 Telephone +27 11 282 8000																
<b>ISIN</b>	ZAE000320321	<b>Independent auditor</b>	PricewaterhouseCoopers Inc. 4 Lisbon Lane, Waterfall City Jukskei View, 2090 Private Bag X36 Sunninghill, 2157 Telephone +27 11 797 4000																
<b>Registered office and business address</b>	Building 5, Maxwell Office Park Magwa Crescent West Waterfall, 2090 Private Bag X2127, Isando, 1600 Telephone +27 11 565 4300	<b>Website</b>	<a href="http://www.premierfmcg.com">www.premierfmcg.com</a>																
<b>Directors</b>	<table> <tr> <td>JJ Gertenbach</td> <td><i>Chief Executive Officer</i></td> </tr> <tr> <td>F Grobbelaar</td> <td><i>Chief Financial Officer</i></td> </tr> <tr> <td>I van Heerden</td> <td><i>Non-executive Chairman</i></td> </tr> <tr> <td>FN Khanyile</td> <td><i>Lead Independent Director</i></td> </tr> <tr> <td>DD Ferreira</td> <td><i>Independent Non-executive</i></td> </tr> <tr> <td>JER Matthews*</td> <td><i>Non-executive</i></td> </tr> <tr> <td>H Ramsumer</td> <td><i>Independent Non-executive</i></td> </tr> <tr> <td>W Sihlobo</td> <td><i>Independent Non-executive</i></td> </tr> </table> <p>* PRN Hayward-Butt is an Alternate Director to JER Matthews</p>	JJ Gertenbach	<i>Chief Executive Officer</i>	F Grobbelaar	<i>Chief Financial Officer</i>	I van Heerden	<i>Non-executive Chairman</i>	FN Khanyile	<i>Lead Independent Director</i>	DD Ferreira	<i>Independent Non-executive</i>	JER Matthews*	<i>Non-executive</i>	H Ramsumer	<i>Independent Non-executive</i>	W Sihlobo	<i>Independent Non-executive</i>	<b>Investor relations</b>	Email: <a href="mailto:investor@premierfmcg.com">investor@premierfmcg.com</a>
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W Sihlobo	<i>Independent Non-executive</i>																		
		<b>Tax reference number</b>	9102629160																