AVI

AVI GROWING GREAT BRANDS

AVI **2024** INTEGRATED ANNUAL REPORT

CONTENTS

ABOUT THIS REPORT

AVI's Integrated Annual Report covers the economic, environmental and social activities of the Group for the period 1 July 2023 to 30 June 2024 and aims to provide AVI's stakeholders with a transparent, balanced and holistic view of the Group's performance. In addition, where it is informative to add information post 30 June 2024, this has been included and noted.

This report covers the entire Group, comprising Entyce Beverages, Snackworks, I&J and Fashion brands.

In compiling the report, AVI has considered the Companies Act No. 71 of 2008, as amended; the Listings Requirements of the JSE Limited; the King Report on Corporate Governance for South Africa 2016 ("King IV") and the IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") in respect to the annual financial statements.

BOARD RESPONSIBILITY

The Board of directors ("the Board") acknowledges its responsibility to ensure the integrity of the Integrated Annual Report. The Board has accordingly applied its mind to the Integrated Annual Report and, in their opinion, the Integrated Annual Report addresses all material issues, and presents fairly the integrated performance of the organisation and its impacts.

Any questions or comments on the report can be forwarded to info@avi.co.za.

OUR BUSINESS

GROWING GREAT BRANDS

With a primary listing on the Johannesburg Stock Exchange in the food products sector, and a secondary listing on A2X, AVI Limited's extensive brand portfolio includes more than 50 brands.

AVI's lifeblood is its portfolio of remarkable brands, many of which carry a heritage and pedigree built up over decades and some of which occupy a place in our national character. It would not be a stretch to claim that the vast majority of South Africa's population has at some time or another been conscious of, consumed or aspired to own, one of our brands.

AVI's brands that have grown into great South African favourites include:

- Five Roses, Freshpak, House of Coffees, Frisco, Koffiehuis, Ellis Brown, Ciro and Lavazza in the Beverages category;
- Bakers, Pyotts, Provita, Baumann's and Willards in the Biscuits and Snacks categories;
- I&J in the Frozen category;
- Yardley, Lenthéric, Exclamation, Gravity, East West, and Whisper in Personal Care; and
- Spitz, Carvela, Green Cross, GX&Co, Kurt Geiger, Lacoste, Tosoni and Gant in our Footwear and Apparel portfolio.

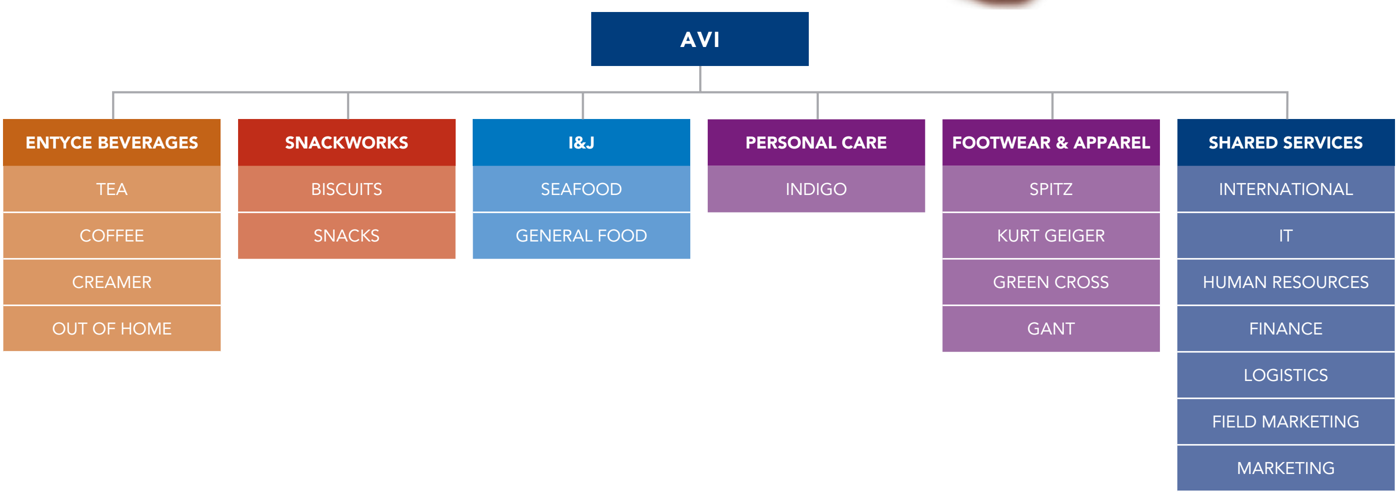
We have 116 branded retail outlets under the Spitz, Kurt Geiger, Green Cross, GX&Co and Gant brands.

This privileged position carries with it an obligation to develop and manage each brand to its fullest potential. We have structured our business to best suit this end. We have four business units taking care of beverages, including out-of-home solutions, sweet and savoury snacks, frozen foods, and fashion brands which are separated into Personal Care brands and Footwear and Apparel.

We also have a well-developed shared services structure spanning: International, Information Technology ("IT"), Finance, Human Resources, Logistics, Marketing and Field Marketing that allows us to take advantage of our scale and deliver more for less.

With a turnover of R15,86 billion in this last financial year, AVI's brands are a household name in South Africa and growing every day.

OPERATING STRUCTURE

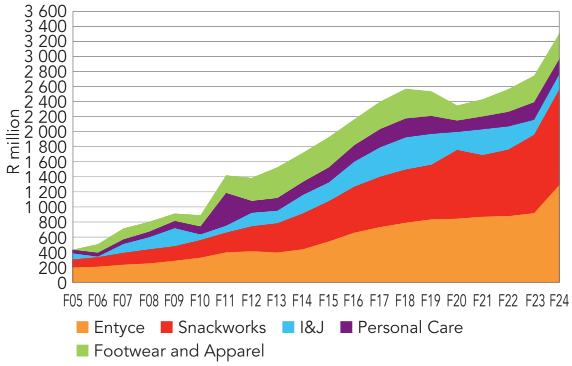


OUR BUSINESS HIGHLIGHTS

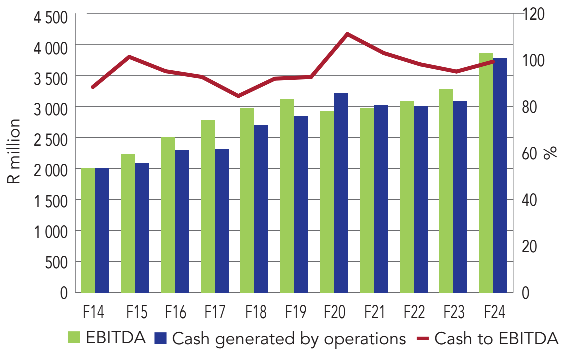
Key features

- Pleasing performance in a challenging environment
  - Constrained consumer demand
  - Increasing competition in all categories
  - Unreliable municipal infrastructure impacting manufacturing sites
  - I&J impacted by poor catch rates and constrained abalone markets
  - Weaker Rand and rising raw material costs
  - Direct cost of load-shedding of R33,2 million
  - Revenue benefits of product innovation in H2
- Group revenue increased by 6,3%
- Price increases in all categories to offset cost increase pressures
- Gross margins recovered to pre-COVID levels
- Strong cost control and efficiencies support operating leverage
- Group operating profit for the year increased by 21,7%
- Headline earnings per share up 24,1% to 687,1 cents
- Sustained strong cash generation supported a reduction in net debt
- Capital expenditure of R476,5 million for capacity and efficiency projects
- Final dividend of 388 cents per share and total normal dividend up 22,4% to 590 cents per share
- Special dividend of 280 cents per share
- Return on capital employed of 34,2% for the 12 months to June 2024
- Dividend yield of 9,2% on 30 June 2024 closing share price

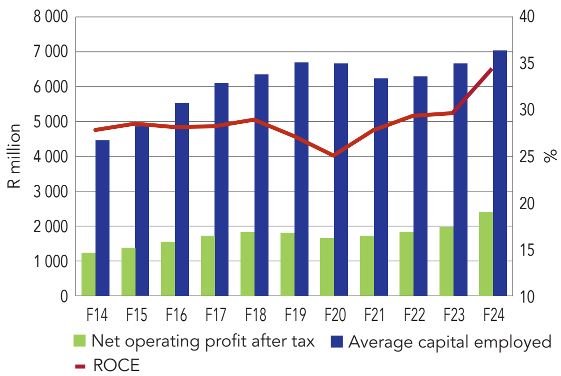
Operating profit history



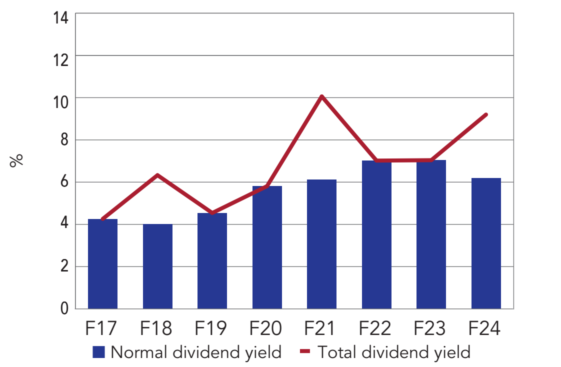
Cash conversion



Return on capital employed



Historical dividend yield (year end)



AVI	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm	Change F24 vs F23 %
REVENUE	**15 862,3**	14 919,6	13 845,3	13 269,2	13 209,7	**6,3**
OPERATING PROFIT	**3 304,6**	2 714,8	2 540,1	2 409,3	2 334,5	**21,7**
OPERATING MARGIN (%)	**20,8**	18,2	18,3	18,2	17,7	**14,3**
CAPITAL EXPENDITURE	**476,5**	482,2	240,8	315,7	376,6	**(1,2)**

ENTYCE BEVERAGES	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm	Change F24 vs F23 %
REVENUE	**5 025,4**	4 251,6	3 981,6	3 777,1	3 849,0	**18,2**
OPERATING PROFIT	**1 300,1**	920,2	880,6	872,8	846,6	**41,3**
OPERATING MARGIN (%)	**25,9**	21,6	22,1	23,1	22,0	**19,9**
CAPITAL EXPENDITURE	**162,9**	109,3	50,8	44,2	92,6	**49,0**

Snackworks That's Good Times!	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm	Change F24 vs F23 %
REVENUE	**5 597,9**	5 261,2	4 702,4	4 267,8	4 365,1	**6,4**
OPERATING PROFIT	**1 270,9**	1 038,4	881,4	814,6	910,2	**22,4**
OPERATING MARGIN (%)	**22,7**	19,7	18,7	19,1	20,9	**15,2**
CAPITAL EXPENDITURE	**167,6**	135,3	39,2	95,1	80,6	**23,9**

I&J	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm	Change F24 vs F23 %
REVENUE	**2 459,2**	2 486,6	2 473,8	2 605,4	2 327,9	**(1,1)**
OPERATING PROFIT	**199,7**	196,8	306,2	341,6	237,8	**1,5**
OPERATING MARGIN (%)	**8,1**	7,9	12,4	13,1	10,2	**2,5**
CAPITAL EXPENDITURE	**83,7**	139,2	87,8	133,6	137,3	**(39,9)**

FASHION BRANDS	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm	Change F24 vs F23 %
REVENUE	**2 779,8**	2 920,2	2 687,5	2 618,9	2 667,7	**(4,8)**
OPERATING PROFIT	**560,8**	587,9	495,9	400,8	352,4	**(4,6)**
OPERATING MARGIN (%)	**20,2**	20,1	18,5	15,3	13,2	**0,5**
CAPITAL EXPENDITURE	**61,1**	91,8	56,8	36,2	53,9	**(33,4)**

OBJECTIVES & STRATEGIES

To be recognised as South Africa's leading consumer brands manager.

Brands are AVI's lifeblood and we are endowed with a portfolio of remarkable brands, many of which carry a heritage and pedigree built up over decades and some of which occupy a place in our national character. It would not be a stretch to claim that the vast majority of South Africa's population has at some time or another been conscious of, consumed or aspired to own a product carrying one of our brands. Coupled with this privileged position is an obligation to develop and manage each brand to its fullest potential.

The strength of our brands is a function of the value they deliver to our consumers which is underpinned by their quality, price and inventiveness. We strive to constantly improve this value by making our products more valuable, more accessible and more desirable and we are committed to supporting the long-term competitiveness of our brands with appropriate investments behind marketing, research and new product development. We view our role not merely in terms of enhancing the position of our brands within a category, but of being a material contributor to the development of the categories themselves. It is not our objective to serve all potential customers, but to service those whose needs are aligned with our business objectives better than anyone else by providing them with the most rewarding consumption experience. A happy consumer is the foundation of the growing volumes, market shares, profit margins and brand loyalty, which drive success in the consumer products space.

To consistently outperform our peer group, both operationally and in shareholder returns.

AVI's financial success is measured first and foremost by the adequacy of returns generated for our shareholder community. Our twin return objectives reflect our goal of being an attractive investment vehicle over the long term, both relative to our peer set, and on an absolute basis. Our relative performance target is to earn top quartile total shareholder returns over successive rolling three-year periods, while our absolute performance target is to deliver real combined dividend and share price appreciation annually. The achievement of these targets will depend crucially on AVI's ability to service its customers and communities efficiently and effectively and will reflect the value added by our organisation and be a key underpin of the ongoing sustainability thereof.

To build sustainable and defensible positions in each of our priority markets and categories.

We do not view legacy as an inhibitor of opportunity and are committed to operating in any market or category where our brands, products and organisational competencies endow us with a sustainable advantage over our competitors. We believe that long-term continuing success is a function of focus and the discipline required to recognise where we can and cannot compete effectively.

Practically this perspective demands that we regularly reappraise the extent of our current activities and consider exiting areas where growth or profitability are deemed poor in the long run or where the competitive landscape is changing in ways that inhibit our ongoing success. It also materially shapes the development of our organic and acquisitive growth initiatives by ensuring that the imperative for growth are tempered by a true assessment of any new opportunity and our ability to sustain and enhance our competitiveness in the new market or category over the long term.

To maintain and develop a corporate structure that adds material value to our underlying business portfolio.

Our corporate and shared services structures play a meaningful role in defining and enhancing our competitiveness and are capable of supporting heightened long-term earnings growth. While we operate in many distinct categories our corporate ethos and enabling structures embrace a "one company" philosophy. They are an effective mechanism for leveraging the strength of our brands and exploiting the efficiency and productivity improvement, process simplification and cost reduction opportunities inherent in their combined scale. They allow us to serve more consumers in more markets more efficiently and to strengthen our importance to our key national retail partners.

To enhance our absolute and relative competitiveness in each core category every year.

The global consumer product environment is a vibrant space and one in which sustaining the saliency of one's brands has become increasingly challenging. Rapid technological development, increased access to information and the relentless pace of innovation

globally have all contributed to the most fluid consumer environment in history. Better informed consumers have ever more demanding expectations from their brands and are faced with a wider portfolio of choices when making their consumption decision.

Our response to new opportunities, changing consumer preferences and lifestyles, and competitor activity will need to be quicker and more flexible than ever before in the years to come. Ongoing success in this increasingly "winner-takes-all" environment demands a strong commitment to continuous improvement in all areas of our operations.

To sustain and develop an impeccable corporate reputation with all stakeholders.

AVI's ongoing standing as a leading South African corporate requires continued focus on ethical management practices to ensure its sustainability. Beyond integrity and transparency in our dealings with our shareholders, customers, consumers, employees and other stakeholders, this also encompasses a commitment to ensuring that AVI plays its role as a corporate citizen to minimise any adverse environmental impact, and to improve living standards and address the ongoing need for transformation in the society in which we operate.

To attract, develop and retain the best talent in the industry.

In the fierce competition for skills and talent AVI actively seeks to recruit, nurture and retain exceptional people recognising that they remain our strongest differentiator in developing our leading brand-centric culture. We believe that our scale and opportunity reinforce our ability to attract and retain the talented individuals necessary to execute our strategies and cement the quality of functional leadership in an environment characterised by increasing skills shortages and intense competition for human capital.

Reinforce business returns with a prudent but nimble corporate capital allocation philosophy.

The strength of our brand portfolio has resulted in AVI generating robust cash flows which often exceed the supply of investment opportunities that meet our strategic, risk and return criteria. While we have strong ambitions for organic and value-adding acquisitive growth, this paradigm of cash generation in excess of reinvestment need is likely to persist in future. AVI will seek to supplement underlying shareholder return generation through the prudent use of corporate capital management strategies including share repurchases, leverage and special dividends, where appropriate.

CHAIRMAN AND CEO'S REVIEW

Overview

AVI delivered a pleasingly resilient performance within an environment that continues to be challenging. The complexities and uncertainties at play in both the local and global economies all impacted on our operations to some extent.

Domestically, although we are seeing some positive developments with, inter alia, the formation of the government of national unity (GNU), lower inflation and interest rate cycles, consumers remain under pressure. The ongoing high SA unemployment and crime rates as well as the further deterioration of the country's infrastructure continue to have a significant impact on economic growth.

Global events that last year conspired to lift soft commodity and energy prices have moderated somewhat but continue to impact our manufacturing costs and indirectly, the cost of imported finished goods.

At AVI, we pride ourselves on having successfully operated through numerous historical economic and political cycles. We do this by trying to anticipate trends ahead of time that allow an efficient and sustainable delivery of high-quality products to a loyal customer base. The challenge however is to continue to supply these products affordably to an ever more constrained consumer, without eroding our profitability.

In this regard the financial performance produced this year is very credible. Gross margins were maintained through sensible Rand hedging strategies, manufacturing efficiencies and price increases. The latter unfortunately at the cost of lower volume growth, but importantly ensuring the long-term value of our market-leading brands was protected.

Financial review

The effective management of selling prices, strong cost control, the benefits of efficiency-improving investments at our production facilities and ongoing hedging supported good operating leverage and underpinned operating profit growth for the year.

Group revenue increased by 6,3% from R14,92 billion to R15,86 billion. Entyce achieved the highest level of revenue growth with the benefit of selling price increases, taken in response to significant input cost pressures, further supported by improved sales volumes across all its categories. Tea sales volumes improved off a weak prior year base which included aggressive competitor promotions while Coffee grew volumes in the second half. Creamer performed particularly well, gaining market share with some benefit from competitor supply disruptions and production efficiencies which supported improved service levels. Snackworks achieved growth in Biscuits and Snacks due to higher selling prices, but performance slowed through the second half with increased pressure on sales volumes partially offset by the benefit of innovation launched. I&J had a difficult year with revenue declining due to increased competition and reduced demand in key abalone markets which constrained selling prices.

Fishing revenues finished higher and improved through the second semester with better catch rates compared to the first half, benefits from a weaker Rand and higher selling prices. Indigo's personal care revenue declined 16,4% following the cessation of the Coty distribution agreement in July 2023. Indigo's owned brand categories performed soundly with growth in the roll-on and colour categories partially offset by marginally lower aerosol revenue as a result of the constrained and competitive environment. Spitz's footwear and apparel revenue grew 3,6% on last year supported by a strong December with good demand for core brands but had a challenging second semester with constrained demand exacerbated by increased discounting in the sector, particularly in apparel.

Consolidated gross profit increased by 13,5%, exceeding revenue growth, with the consolidated gross profit margin of 41,7% recovering to levels last achieved in 2019. Margins were well managed and supported by a combination of selling price increases, ongoing efficiency gains, fastidious cost control, effective hedging disciplines and the loss of the lower margin Coty business. I&J margins improved slightly but remain well below historical levels due to poor catch rates and constrained demand and pricing in key abalone markets.

Operating profit increased by 21,7% from R2,71 billion to R3,30 billion due to higher gross profit margins and effectively managed selling and administrative expenses which rose marginally ahead of inflation compared to last year. The operating profit margin improved from 18,2% to 20,8%.

Net finance costs for the year were marginally lower than last year with the impact of lower average borrowings partially offset by higher interest rates. Headline earnings grew 24,2% and headline earnings per share increased by 24,1% from 553,6 to 687,1 cents per share, with a marginal increase in the weighted average number of shares in issue, due to the vesting of employee share schemes.

Cash generated by operations increased 22,7% to R3,78 billion, largely in line with the growth in operating profit. Working capital was effectively managed in what has remained a challenging supply chain environment, and increased by R270,8 million, reflecting stronger sales in the last few months, the impact of delayed customer payments due to the close falling over a weekend as well as the timing of purchases and included the benefit of unlocking working capital previously held to support the Coty business.

Dividend

In line with the Group's normal dividend payout ratio the Board has declared a final ordinary dividend of 388 cents per share, resulting in a full year ordinary dividend of 590 cents, which is 22,4% higher than last year, and in line with the growth in headline earnings.

Strong cash generation has supported lower than targeted gearing levels and as a result the Board has also approved a special dividend of 280 cents per share.

This results in an effective dividend yield of 9,2% on the 30 June 2024 closing share price of R94,59. Taking into consideration the special dividend, AVI's gearing is expected to increase to the upper range of our gearing target.

Capital expenditure

Capital expenditure for the year amounted to R476,5 million. Significant items of expenditure included R59,1 million to improved efficiencies and increase production capacity for Creamer, R51,3 million on biscuit line upgrades, R37,0 million to replace a Snacks potato chip fryer, R46,4 million on vessel upgrades, R34,9 million on upgrades to the I&J plants, R32,5 million on opening, relocating and refurbishing Spitz stores and R33,8 million on distribution centre facility upgrades.

As has been the case for several years, we have carefully considered the level of capital investment to ensure it appropriately reflects the difficult economic environment and reduced growth opportunities. Capital expenditure is focused on driving efficiencies and maintaining capacity, and in the case of expansionary investments, is carefully evaluated with a strict focus of the merits of the risk-adjusted case for the investment.

Budgeted capital expenditure for the next financial year is R600 million and includes the addition of a second hand freezer vessel for I&J. We continue to monitor the environment and, consistent with our focus on capital allocation will continue to support capital projects that enhance our manufacturing capabilities, reduce production costs, improve product quality and support improved customer service levels. Failing municipal infrastructure poses a challenge to our manufacturing sites with respect to water supply and power quality and has necessitated considerable investment, with further investment expected in F25 to protect operations. Expenditure will be curtailed should the risk-adjusted returns not justify the investment.

Corporate governance

AVI's Board is committed to ensuring that the Group operates in a manner that clearly recognises the nature of the relationships the Company has with different stakeholders, and the need to manage those relationships appropriately, while generating returns in a sustainable manner. Our efforts in this regard are detailed throughout this report, and particularly in the sustainable development section.

The recommendations of the King Report ("King IV") have been integrated into our Board and sub-committee charters, where appropriate, as have the applicable provisions of the Companies Act and the JSE Listings Requirements. The corporate governance section of this report describes our approach to corporate governance and our compliance with King IV.

Board

Abe Thebyane resigned as a non-executive director with effect from 30 April 2024. We thank him for his outstanding service to AVI and vital contribution to AVI's success over many years.

Val Davies was appointed to the Board as an independent non-executive director and as the Chair of the Remuneration, Nomination and Appointments Committee with effect from 1 June 2024.

We continue to work on Board and executive succession plans and will recruit additional directors where we find individuals with the ability to contribute to the Board's current and future deliberations.

As always, our thanks to our colleagues for their support and counsel.

Outlook

Whilst costs remain well controlled, and the business is well positioned to benefit from any consumer recovery, the environment remains challenging. We anticipate that the current constrained consumer demand environment will persist and consequently expect increased competition in our categories which will put pressure on margins and volumes. The performance of key categories in the year has been well supported by our strong brand portfolio, which together with innovation and continued investment in our production capability, will provide a platform to compete effectively in the year ahead.

Inflationary pressures from commodity input prices and the weaker Rand has started to soften in some categories with lower levels of inflation expected in the year ahead, if sustained. Our hedging of currency and commodities provides some certainty for the first semester with exchange rates secured at levels that support profitability. Notwithstanding lower levels of inflation, sustained high selling prices will continue to challenge volumes in many of our categories. We will need to manage the balance between price, volume and profitability with the flexibility that constrained environments require. Cost management, including investment in projects which support production efficiencies as well as procurement initiatives, will remain a focus and are expected to deliver benefits in the next year.

I&J's prospects are materially dependent on fishing performance, fuel prices and exchange rates. The ability of the business to benefit from the allocated fishing rights is dependent on a material improvement in catch rates, which are currently at 20-year lows, as well as an increase in catching capacity. As a result, the Board has approved the acquisition of a second-hand freezer vessel for R174,0 million which is expected to be commissioned by the end of the first semester of F25. This will provide much needed capacity which should support fishing performance and reduce the extent to which the current quota is not caught. In line with the work performed to date, cost structures, including the simplification of I&J's business model, will continue to receive focus to improve profitability and I&J's return on capital. Demand for abalone was negatively impacted in the year by increased competition and reduced demand in key markets which constrained selling prices. Should this not improve the abalone performance in the next year may not exceed the prior years.

CHAIRMAN AND CEO'S REVIEW continued

In line with I&J's objective to simplify and focus on core operations an agreement was entered into during November 2023 to dispose of the squid fishing operation undertaken by the Umsobomvu joint venture in which I&J holds a 50% interest. The suspensive conditions and completion actions were fulfilled during July 2024 and consequently the transaction will only be recognised in F25. I&J's share of the proceeds amounted to R24,2 million with a capital profit of R12,6 million after taxation, expected to be recognised in the F25 interim results.

The operating environment remains uncertain both domestically and internationally. Consumer demand is constrained with South African port inefficiencies, the risk of load-shedding and continued infrastructure failures expected to add cost and complexity to our business. Consequently sustaining the current year's performance will be dependent on a multitude of exogenous factors and profit growth may not mirror F24 as we annualise a strong year. The Board remains confident that AVI is well equipped to continue adapting to a changing economic environment.

Acknowledgements

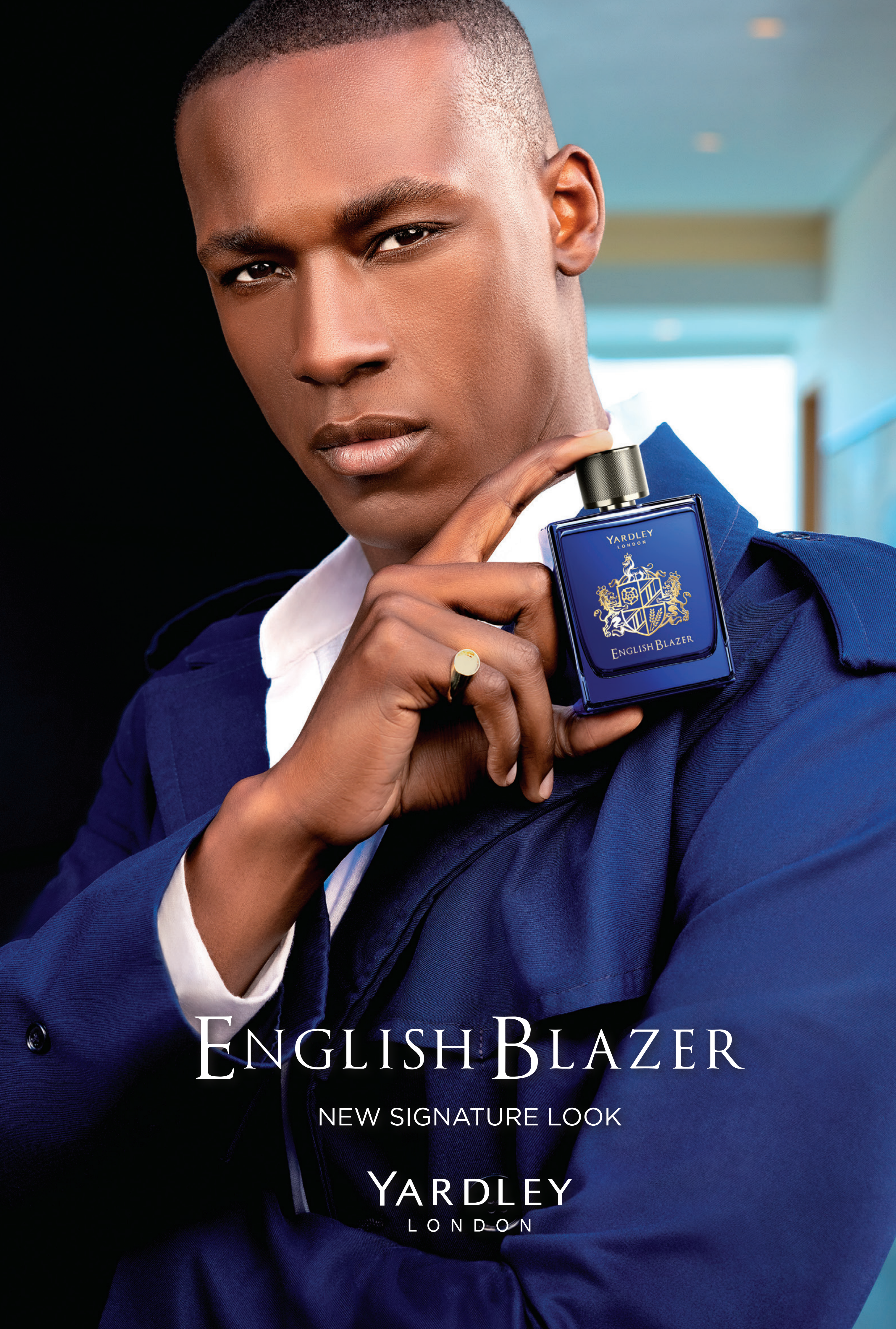
The energy and integrity of our people are critical to our success, and we thank our staff for their contribution. Despite a very challenging environment, our people kept our factories and retail outlets running, and enabled us to service our retail partners and customers.

The continued support of our suppliers, service providers, retail partners and customers, most of whom face similar challenges, is fundamental to what we are, and our thanks go to all of those parties.

Finally, the ongoing support from our shareholders is acknowledged and appreciated.

MIKE WATTERS
Chairman

SIMON CRUTCHLEY
Chief Executive Officer


YARDLEY
LONDON
ENGLISH BLAZER
ENGLISH BLAZER
NEW SIGNATURE LOOK
YARDLEY
LONDON


I&J
BATTERCRISP
4 BATTERED HAKE FILLET PORTIONS
Wild caught succulent Cape Hake fillet portions in a crispy golden tempura batter.
400 g
I&J
BATTERCRISP
4 BATTERED HAKE FILLET PORTIONS

OPERATIONAL REVIEWS

	Segmental revenue			Segmental operating profit		
	2024 R'm	2023 R'm	% change	2024 R'm	2023 R'm	% change
Food & Beverage brands	**13 082,5**	11 999,4	9,0	**2 770,7**	2 155,4	28,5
Entyce Beverages	**5 025,4**	4 251,6	18,2	**1 300,1**	920,2	41,3
Snackworks	**5 597,9**	5 261,2	6,4	**1 270,9**	1 038,4	22,4
I&J	**2 459,2**	2 486,6	(1,1)	**199,7**	196,8	1,5
Fashion brands	**2 779,8**	2 920,2	(4,8)	**560,8**	587,9	(4,6)
Personal Care*	**1 022,5**	1 223,3	(16,4)	**220,0**	233,1	(5,6)
Footwear & Apparel	**1 757,3**	1 696,9	3,6	**340,8**	354,8	(3,9)
Corporate				**(26,9)**	(28,5)	
Group	**15 862,3**	14 919,6	6,3	**3 304,6**	2 714,8	21,7

** As of 1 July 2023, Personal Care revenue and operating profit does not include any contribution from the Coty business.*

ENTYCE BEVERAGES

Entyce revenue of R5,03 billion was 18,2% higher than last year due to selling price increases and volume growth achieved in all retail categories. Selling prices were increased to ameliorate the impact of significant commodity costs, including the impact of a weaker Rand, and operating cost inflation (including on-costs from supply chain and basic infrastructure disruptions) and protect margins. Pleasing sales volume growth was achieved in the Tea, Coffee and Creamer categories. Tea sales volumes improved off a weak prior year base which included aggressive competitor promotions while Coffee grew volumes in the second half. Creamer performed particularly well, gaining market share with some benefit from competitor supply disruptions and production efficiencies which support improved service levels. Sales volume in the Ciro out-of-home business was marginally lower compared to prior year with increased competition from lower priced options in the hospitality and forecourt channels.

Gross profit margins improved due to higher price realisation, prudent promotional activity management, the impact of higher volumes supporting factory efficiency and operating leverage. Productivity benefits realised through capital investments also contributed to gross margin expansion.

Selling and administrative costs were well managed but increased at levels above inflation due to higher distribution costs with the impact of increased volumes partially offset by lower fuel prices, and increased marketing expenditure.

Operating profit increased from R920,2 million to R1,30 billion with the pleasing growth underpinned by improved margins from operating leverage. The operating profit margin of 25,9% was effectively managed and was well supported by improvements in Tea and Creamer retail margins with margins in the Coffee and Ciro out-of-home business well protected.

Tea

Tea revenue increased 16,4% on last year benefitting from higher selling prices and volume growth, including some recovery off a weak prior year base due to aggressive competitor promotions in the first semester last year. Black tea revenue grew 18,8% with the impact of selling price increases further supported by market share gains with a strong performance from our value brand, Trinco, and pleasing growth in our premium brand Five Roses. Rooibos delivered revenue growth of 12,8% with the benefit of increased selling prices, to ameliorate inflationary cost pressures and protect margins, and better sales volumes which were partly supported by the launch of a new rooibos value brand in the last quarter.

Gross profit margins increased marginally, recovering the decline in the previous year, with selling price increases, improved volumes, factory efficiencies and benefits from operating leverage mitigating the impact of the weaker Rand and higher commodity input costs.

Operating profit for Tea grew by 18,8% and operating profit margin improved in line with the marginally better gross profit margin and benefits from leveraging the selling and administrative cost base.

Coffee

Coffee revenue increased by 17,6% compared to last year due to selling price increases required to ameliorate the impact of significant increases in underlying Robusta and Arabica commodity prices, including the impact of the weaker Rand, and protect margins. Sales volume growth was supported by a stronger second semester with the premium and affordable brew segments extending gains and mixed instant recovering the first semester shortfall to finish in line. Premium volumes were well supported by the new Salted Caramel and White Hot Chocolate flavour extensions to the Hug in a Mug range as well as improved distribution of the 8-stick format which was

launched in the prior year. This was partially offset by declines in the retail House of Coffee bean formats where material selling price increases and aggressive competitor pricing constrained demand. Affordable brewed volume benefitted from regional activation and distribution campaigns with pleasing growth achieved. Mixed instant volumes were largely in line with last year with ongoing competitor discounting, consumer affordability and material selling price increases constraining demand and shifting sales volumes into lower priced formats.

Gross profit margins declined slightly with the impact of input cost pressures partially recovered through selling price increases and benefits in the second semester from factory restructuring initiatives and efficiencies.

Operating profit grew by 18,8% for the year with improvements delivered across the mixed instant, premium and affordable brewed categories. The operating profit margin was largely in line with last year.

Creamer

Creamer performed particularly well with revenue growth of 26,7% due to selling price increases, in response to higher raw material costs, and a 6,0% improvement in sales volumes. Despite the constrained demand environment sales volumes were supported by market share gains, improved production efficiencies in the second half and competitor supply disruptions.

Gross profit margins improved in the year with a recovery to historical levels further supported by volume leverage and additional factory efficiencies from investment in our production capability. Selling and administrative costs increased with the impact of higher sales volumes partly offset by lower fuel prices. Overall pleasing operating profit growth was achieved.

Ciro

The Ciro business grew revenue by 6,4%, with increased selling prices partially offset by lower sales volumes. Volumes were lower due to increased competition from lower priced options in the forecourt and hospitality channels with some customers shifting to lower priced options in the challenging macro environment.

These declines were partially offset by growth in Catering and Wholesale customers where volumes improved in our cold beverage, tea and creamer offerings.

Gross profit margin increased in the year, benefitting from increased product pricing as well as improved customer service and maintenance profitability. This was partially offset by increased input costs. Selling and administrative costs were well controlled and supported an overall operating profit growth of 10,4%. Strong focus has remained on achieving cost efficiency within this business and has continued to support a solid operating profit margin achievement, which remains ahead of historical levels.

Capital expenditure

Capital expenditure for the year was R162,9 million increasing materially compared to last year. The most significant investment related to a new Ellis Brown packaging and automated palletizing line, commissioned in December 2023, which has increased factory throughputs, efficiencies and capacity providing support to the Creamer profit performance. Significant capital spend was also focused on basic infrastructure, utility back-up and security upgrades to reduce reliance on municipal services at both the Durban Tea and Isando Coffee/Creamer sites. The remaining spend related to the essential replacement of manufacturing equipment and fleet as well as Ciro coffee and beverage dispensing equipment.

ENTYCE BEVERAGES	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm	2017 R'm	2016 R'm	2015 R'm	Change F24 vs F23 %
REVENUE	5 025,4	4 251,6	3 981,6	3 777,1	3 849,0	3 822,6	3 834,1	3 757,1	3 421,9	3 041,2	18,2
OPERATING PROFIT	1 300,1	920,2	880,6	872,8	846,6	838,3	792,6	735,1	661,7	545,2	41,3
OPERATING MARGIN (%)	25,9	21,6	22,1	23,1	22,0	21,9	20,7	19,6	19,3	17,9	19,9
CAPITAL EXPENDITURE	162,9	109,3	50,8	44,2	92,6	106,7	42,7	127,2	130,7	196,6	49,0

Snackworks

That's Good Times!

Snackworks revenue of R5,60 billion was 6,4% higher than last year with growth achieved across both the Biscuit and Snacks categories from higher selling prices required to ameliorate input cost inflation and protect margins. This was partially offset by a decline in sales volumes despite good traction from product innovations launched during the year. The gross profit margin was well managed and well supported by factory efficiencies derived from waste reductions and improved production yields across both the biscuit and snacks production facilities.

Selling and administrative costs increased slightly ahead of inflation as a result of additional marketing investment to support festive season campaigns and the launch of innovation in the second semester. Operating profit increased by 22,4%, and operating profit margin improved to 22,7% with improvement achieved in both the Biscuit and Snacks categories.

Biscuits

Revenue of R4,28 billion increased 6,8% on last year as a result of selling price increases taken last year and in April 2024 to ameliorate input cost pressures and protect volumes. Sales volumes were lower with declines evident across some of our plain sweet KVI lines, including Eet Sum Mor and Blue Label Marie with consumers constrained by affordability and trading down to cheaper alternatives. Sales volumes were however well supported by a strong festive season for Bakers Choice Assorted as well as the launch of new Romany and Ginger Nut Rusk variants, and the new Tennis Doubles, Choc-O-Break and Zoo-Zoos cream biscuits in the second semester.

Gross profit margins were effectively managed and were well supported by strong factory performances, including waste reduction and improved productivity from manning efficiencies. The effective management of selling prices was sufficient to recover commodity and operating cost inflation. Selling and administrative costs increased slightly ahead of inflation as a result of additional marketing investment

Snackworks That's Good Times!	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm	2017 R'm	2016 R'm	2015 R'm	Change F24 vs F23 %
REVENUE	**5 597,9**	5 261,2	4 702,4	4 267,8	4 365,1	3 890,9	3 960,8	3 956,2	3 643,2	3 405,3	**6,4**
OPERATING PROFIT	**1 270,9**	1 038,4	881,4	814,6	910,2	723,1	705,0	666,4	609,1	533,4	**22,4**
OPERATING MARGIN (%)	**22,7**	19,7	18,7	19,1	20,9	18,6	17,8	16,8	16,7	15,7	**15,2**
CAPITAL EXPENDITURE	**167,6**	135,3	39,2	95,1	80,6	145,5	161,8	175,8	239,2	225,1	**23,9**

to support festive season campaigns and the launch of the new rusk and biscuit creams innovation in the second semester.

Operating profit for the year increased by 20,0%, with operating profit margin ahead of last year.

Snacks

Snacks revenue increased 5,0% on last year due mainly to selling price increases taken across the range with lower sales volumes impacted by aggressive competitor activity. From a product perspective, maize extruded snacks brand volumes finished in line with last year with soft extrude declines in the first semester, as a result of lower priced alternatives, recovered through the launch of a new, more accessibly priced 90g Cheese Curls format in March. Potato chip volumes declined with pressure on the Crinkle Cut range, despite benefits from flavour extensions, from aggressive competitor discounting partially offset by growth across the Flanagan's range which was supported by a new on-pack design and improved service levels.

Gross profit improved in the year with the topline growth well supported by improved profitability. The gross profit margin was better and included benefits from a better sales mix and improved factory yields. Selling and administrative costs were well controlled with increases contained to levels below inflation. Improved margins and effective cost management supported an improvement in both operating profit and operating profit margin in the year.

Capital expenditure

Capital expenditure for the year of R167,6 million was primarily focused on essential replacement items, including the Bakers Blue Label Marie oven at Isando and the essential replacement and upgrade of the potato chip fryer at the Rosslyn snacks factory. Significant capital spend has also been invested into basic infrastructure, utility and security upgrades to reduce reliance on municipal services, including water security and treatment facilities in Isando and Rosslyn factories and major security upgrades at the Westmead biscuits factory.

AVI INTERNATIONAL

Most of our markets continued to face significant consumer pressures with affordability, aggressive competition, increased availability of cheaper alternatives and lower levels of discretionary spend pressurising demand. The availability of currency in some distributor markets required careful management of credit risk with orders limited at times to support the conversion of profits into cash. In line with our domestic business, selling price increases were implemented to protect margins with sales volumes ending lower in most categories as consumers struggled under persistently high prices following a period of high inflation. Notwithstanding the pressures AVI International delivered operating profit growth supported by robust performances across key subsidiary markets and Mozambique which were partly offset by declines in Zambia and local distributors.

Revenue finished largely in line with last year with the benefit of higher selling prices largely offset by lower sales volumes. Improved performances were achieved in our key subsidiary markets, as well as from Mozambique showing continued growth from last year, but this was offset by declines in local distributors with sustained high selling prices weighing on demand. Botswana and Namibia delivered pleasing topline growth, whilst Zambia benefitted from improved demand for Rooibos and Biscuit offerings, despite the need to navigate the significant depreciation in the Zambian currency and combat cheaper alternatives and aggressive competitor pricing. Shipping and logistical challenges into Mauritius and East Africa, including stock supply constraints in some categories due to domestic demand, continued and required careful management with many of the smaller export markets achieving growth, but not sufficient to offset decline in local distributors.

Gross profit margins were well protected through a combination of focused discount management and selling price increases required to ameliorate the impact of input cost inflation. Additional out-of-cycle selling price increases were required in Zambia to combat the acute foreign currency depreciation. Selling and administrative costs were fastidiously managed with increases in line with inflation despite higher distribution costs from unfavourable changes in the route to market mix, and increased investment in in-country marketing activations. This supported the improved gross profit and resulted in operating profit growth of 4,0% with operating profit margins also increasing.

From a category perspective, profit growth was realised across all categories, with the exception of Personal Care where operating profits declined. Biscuits benefitted from growth in Mozambique, our subsidiary markets and key export markets, but were heavily impacted by declines in local distributors. Tea ended largely in line with last year with improved performances in Mozambique, Botswana, and Namibia offset by declines in Zambia and export markets. Following a challenging F23 in which Creamer was negatively impacted by stock supply constraints, aggressive competitor activity and volume losses, this category delivered a solid result and was well supported by growth in Botswana, Namibia and through increased orders from Zimbabwe. Coffee also delivered a credible performance with growth in Botswana and Namibia supported by increased focus on the affordable brewed category. The Personal Care portfolio faced significant headwinds in Zambia, Namibia and Mozambique with aggressive competition, the proliferation of more affordable house brands and constrained discretionary spend pressurising volumes and turnover.

AVI International

	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm	2017 R'm	2016 R'm	2015 R'm	Change F24 vs F23 %
REVENUE	1 276,4	1 275,7	1 219,7	1 185,4	1 133,9	1 044,1	992,1	1 016,2	962,2	879,6	0,1
OPERATING PROFIT	312,9	300,9	273,0	271,1	252,9	212,9	188,6	196,9	193,7	159,3	4,0
OPERATING MARGIN (%)	24,5	23,6	22,4	22,9	22,3	20,4	19,0	19,4	20,1	18,1	3,8

** This table is an aggregation of results included in Entyce Beverages, Snackworks and Indigo Brands.*


A Swirl OF MAGIC
BAKERS EST. 1851
CHOC-O Break
CHOC BISCUITS WITH VANILLA FLAVOURED CREAM
125 g (4.4 oz)
A Swirl OF MAGIC
BAKERS EST. 1851
Tennis Doubles
COCONUT BISCUITS WITH COCONUT FLAVOURED CREAM
125 g (4.4 oz)
SERVING SUGGESTION
A Swirl OF MAGIC
BAKERS EST. 1851
ZOO Zoos
ICED ZOO FLAVOURED CREAMED BISCUITS
125 g (4.4 oz)
SERVING SUGGESTION
A Swirl of Magic

Revenue of R2,46 billion was 1,1% lower than last year due to constrained abalone markets and lower fish sales volume largely offset by the benefit of a weaker Rand and increased selling prices. The decline in sales volumes was attributable to a combination of reduced catch rates which negatively impacted on export sales, lower domestic demand and reduced abalone volumes. Increased competition and reduced demand in key abalone markets constrained selling prices and volumes with abalone revenue declining 22,7% on last year, despite benefitting from the weaker Rand.

The fishing performance was negatively impacted by a further decline in average catch rates compared to the prior year, partly offset by improved vessel utilisation as a result of the timing of planned maintenance. The fishing cost per kilogram increased due to lower catch rates, but was partially mitigated through improved fuel efficiencies and a reduction in the fuel price compared to the prior year. Processing costs per kilogram were negatively impacted by the deleveraging effect of lower input volumes at the Woodstock facility due to lower catch rates and a taxi strike in Cape Town which impacted on labour efficiencies. The value-added production facility volume increased off a low prior year base which was negatively impacted by load-shedding disruptions and a fire at the site in April 2023, which stopped production for more than a month. The continued focus on improving profitability and the return on capital resulted in various restructuring initiatives being undertaken during the first semester with benefits realised through the second half largely offsetting implementation costs.

The benefit of selling price increases, the weaker Rand and lower fuel prices offset the unfavourable effect of reduced catch rates with the gross profit margin for the fishing operation improving, albeit off a low prior year base and remaining below desired levels.

The Danger Point abalone farm's gross profit declined significantly compared to the prior year due to lower sales volumes and an unfavourable mix, with less demanc for live and dried abalone driven by increased competito discounting across key abalone markets. In addition, canned sales were negatively impacted by an industry-wide recall of faulty cans supplied to our production facility, as well as subsequent availability issues, which resulted in lost revenue and write-off costs. The losses are insured but the proceeds have only been recognised to the extent recovered with a portion of the insurance claim related to lost profits in the process of being finalised. Operating costs were well contained but continued to be impacted, albeit to a lesser extent in the last quarter, by the cost of diesel required to mitigate load-shedding. A stronger year end closing exchange rat against the US Dollar compared to June 2023, with limited changes in selling prices, resulted in an unfavourable effect on the biological asset fair value adjustment compared to last year.

Selling and administrative costs were well contained, witl below inflation increases against last year. The closure of the Paarden Eiland cold storage site from September 2023 provided savings through the second semester offsetting restructuring costs. Insurance proceeds of R13,2 million were recognised in respect of the insurance claim relating to the April 2023 fire at the value-added production facility but this benefit was offset by a non-cash cost of R15,2 million recognised in respect of the new BBBEE shareholder structure implemented in July 2023.

Operating profit increased from R196,8 million to R199,7 million, and the operating profit margin increased from 7,9% to 8,1%. The overall result reflects a difficult year with an improvement in fishing profits largely offset by lower abalone profits relative to last year.

Joint venture

In addition to the operating profit reflected above, I&J's joint venture incurred an after tax equity accounted loss of R3,2 million, compared to a profit of R2,1 million in F23.

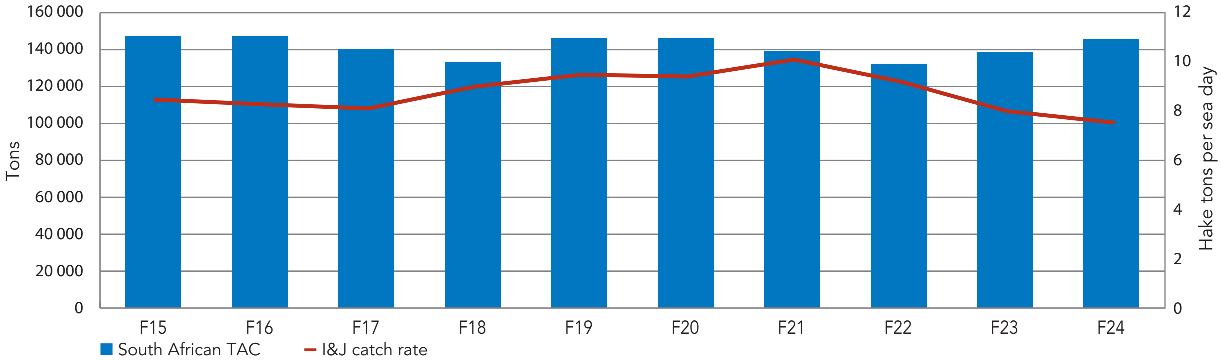
In line with I&J's objective to simplify and focus on core operations an agreement was entered into during November 2023 to dispose of the squid fishing operation undertaken by the Umsobomvu joint venture in which I&J holds a 50% interest. The suspensive conditions and completion actions were fulfilled during July 2024 and consequently the transaction will only be recognised in F25. I&J's share of the proceeds amounted to R24,2 million, with a capital profit of R12,6 million after taxation expected to be recognised in the F25 results.

Capital expenditure

Capital expenditure of R84,1 million included R38,9 million on vessel maintenance and upgrades, R3,9 million to upgrade the quayside cold storage and discharge area, R7,6 million towards the ongoing back-up power generators and electrical infrastructure upgrade project at the Value Added Processing plant, R13,7 million on replacement of aged processing and refrigeration equipment at the Woodstock and Value Added Processing plants and R12,9 million at the Danger Point abalone farm, most notably related to back-up generators and security infrastructure upgrades.

	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm	2017 R'm	2016 R'm	2015 R'm	Change F24 vs F23 %
REVENUE	**2 459,2**	2 486,6	2 473,8	2 605,4	2 327,9	2 507,2	2 487,6	2 362,7	2 171,8	1 960,5	**(1,1)**
OPERATING PROFIT	**199,7**	196,8	306,2	341,6	237,8	407,9	425,0	389,1	331,0	248,4	**1,5**
OPERATING MARGIN (%)	**8,1**	7,9	12,4	13,1	10,2	16,3	17,1	16,5	15,2	12,7	**2,5**
CAPITAL EXPENDITURE	**83,7**	139,2	87,8	133,6	137,3	103,1	116,9	128,7	345,7	212,5	**(39,9)**

South African hake TAC and I&J catch rates (hake tons per sea day)



Hake quota (tons)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
South Africa	**145 698**	138 772	132 163	139 119	146 430	146 430	133 120	140 216	147 500	147 500
I&J	**37 365**	35 850	34 143	37 543	39 517	39 517	36 013	37 901	41 245	41 222
% of TAC	**25,6**	25,8	25,8	27,0	27,0	27,0	27,1	27,1	28,0	27,9

The Hake TAC comprises a number of sub-sectors, most notably Hake Deep Sea Trawl, Hake Inshore Trawl, and Hake Longline. I&J has Hake Deep Sea Trawl and Hake Inshore Trawl rights.

The ability of the business to benefit from allocated fishing rights is dependent on a material improvement in catch rates, which are currently at 20-year lows, as well as an increase in catching capacity. As a result, the Board has approved the acquisition of a second-hand freezer vessel for R174,0 million which is expected to be commissioned by the end of the first semester. This will provide much needed capacity which should support the fishing performance and reduce the extent to which the current quota is not caught.

I&J Minority Shareholding

AVI and Irvin & Johnson Holding Company (Pty) Ltd ("I&J HoldCo") entered into a Broad-based Black Economic Empowerment ("BBBEE") transaction with Main Street 198 (Pty) Ltd ("Main Street") in 2004, in terms of which Main Street held a 20% shareholding in I&J HoldCo. After being extended in 2012, 2018 and 2022, the BBBEE transaction came to maturity on 1 July 2023 and was terminated in accordance with the agreements. AVI and I&J are proud to have successfully partnered with Main Street over a 19-year relationship which generated significant value for all parties, including over R202,0 million in net cash flows for Main Street.

In line with the Group's commitment to transformation in South Africa a new BBBEE transaction was implemented on 1 July 2023. In terms of the new transaction, Twincitiesworld (Pty) Ltd ("Twincitiesworld"), a 100% black-owned company, acquired 18,75% of the issued share capital in I&J Limited. The structure of the new transaction aligns with that previously in place and provides Twincitiesworld with the opportunity to participate in the economic benefits of I&J Limited through a material ownership stake.

Together with the 6,25% shareholding owned by the I&J employees, 25% of the issued share capital of I&J Limited is held by black shareholders, thus promoting an equitable and sustainable economic participation through a broad-based sharing of value creation.

RSA hake resource

The South African hake total allowable catch ("TAC") increased by 5% to 145 698 tons for the 2024 calendar year, from 138 772 tons in 2023. Following the conclusion of the Fishing Rights Allocation Process and related appeals in October 2023, I&J's allocation reduced from 27,0% to 25,6% of the TAC, resulting in I&J's hake quota of 37 365 tons in 2024.

Changes in the TAC are made annually by the Department of Forestry, Fisheries and Environment, ("DFFE") in accordance with a well-established management program based on research voyages and catch data recorded by quota holders. During 2021 the Marine Stewardship Council ("MSC") recertified that the South African hake resource met the requisite environmental standards for sustainable fishing for a further five years. This certification gives assurance to buyers and consumers that the seafood comes from a well-managed and sustainable resource, which is increasingly relevant to customers in I&J's export markets. The South African Deep Sea Trawling Association continues to work closely with the DFFE to maintain a sustainable fishery into the future, including activities such as research voyages, the on-board observer program and effective patrolling of the fishery.

I&J's catch rate (hake tons per sea day) decreased from 8,4 in F23 to 7,5 in F24, with lower catch rates achieved on both the wet and freezer fleets, due to increased variability in catch performance, and unfavourable weather conditions.

exclamation
...make a statement!

Personal Care

Indigo's longstanding relationship with Coty through various agreements historically allowed Indigo to purchase, manufacture and sell the Coty portfolio of personal care, mass colour and fragrance products domestically for a distributor margin and fee. During the previous year the decision was taken, in line with Coty's aim of consolidating their local interests, to not renew the agreement and consequently the relationship with Coty was terminated on 30 June 2023. As part of the termination Coty acquired all directly attributable property, plant and equipment and inventories with R86,3 million realised from the unlocking of working capital required to operate this part of the business. The prior year contribution to operating profit from Coty-related activities amounted to approximately R50,0 million with the exit affording the business the opportunity to review cost structures, including the opportunity to simplify the existing business model.

In line with the continued focus on optimising our cost base and improving efficiencies, Indigo undertook a review of its cost structures during the year to ensure the cost base was appropriately right-sized to protect profitability and return on capital. This resulted in the implementation of various initiatives to deliver efficiencies, reducing the impact of the lost Coty contribution, with focus also on driving growth through its own portfolio of brands.

Indigo's revenue of R1,02 billion was 16,4% lower than last year due to the loss of the Coty contract from July 2023. Excluding Coty, revenue increased by 0,5% on the prior year with improved performances from the roll-on and colour cosmetic categories. Selling prices were increased to recover input cost pressures and protect margins. The constrained consumer and aggressive competitor environment placed pressure on demand, which together with the rationalisation of underperforming lines, resulted in sales volumes ending lower than last year.

Year-on-year profitability improved benefitting from the loss of the low margin Coty business and supported by the effective management of price points, cost saving initiatives and range rationalisation necessary to improve efficiencies.

Selling and administrative costs were effectively managed and ended marginally higher than last year with savings from the absence of the Coty business and benefits from cost savings initiatives to address the cost base partially offset by increased marketing spend in support of longer term brand positioning and growth. Operating profit declined from R233,1 million to R220,0 million, with an increase in the operating profit margin from 19,1% to 21,5%. Excluding the impact of Coty, operating profit has improved by 20,2%.

Capital expenditure

R15,9 million was spent on normal replacement expenditure, including permanent merchandising units, site infrastructure upgrades and initial supplier payments in respect of the roll-on line upgrade. A total investment of R27,5 million has been approved to expand and upgrade our existing roll-on production capability. This project will be commissioned during the first semester in F25 and aligns with our long-term growth aspirations within this category and is expected to provide improved production line efficiencies.

Personal Care

	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm	2017 R'm	2016 R'm	2015 R'm	Change F24 vs F23 %
REVENUE	**1 022,5**	1 223,3	1 176,5	1 152,9	1 192,7	1 111,4	1 190,6	1 194,5	1 096,4	1 033,0	**(16,4)**
OPERATING PROFIT	**220,0**	233,1	193,4	170,4	150,2	237,2	250,3	241,5	218,0	198,0	**(5,6)**
OPERATING MARGIN (%)	**21,5**	19,1	16,4	14,8	12,6	21,3	21,0	20,2	19,9	19,2	**12,6**
CAPITAL EXPENDITURE	**15,9**	16,8	9,6	12,1	25,0	44,5	36,9	55,6	54,6	19,4	**(5,4)**

YARDLEY LONDON LENTHÉRIC LONDON • PARIS eXcla·ma'tion

Footwear and Apparel

Revenue increased by 3,6% on last year due to higher selling prices required to ameliorate the impact of a weaker Rand and protect margins. This was partially offset by reduced apparel sales and a reduction in footwear sales volumes. The first semester was well supported by a strong December, earlier receipt of stock and effective retailing which saw footwear volume growth across both the Carvela and Lacoste footwear brands. The environment has, however, remained challenging and constrained with the second semester particularly difficult with sales volumes negatively impacted by increasing pressure on consumer disposable income exacerbated by increased competitor discounting, especially in clothing. Increased competition necessitated an element of discounting within the apparel business to manage inventory levels.

The gross profit margin was slightly lower with pressure from a weaker Rand not fully recovered by higher selling prices. Selling and administrative costs were well managed with increases lower than inflation due to reduced variable costs associated with lower trading volumes as well as continued focus on the efficiency of our retail footprint to optimise profitability. The environment remains constrained and resulted in the closure of seven underperforming stores over the year. The investment behind our brands across various platforms and through numerous initiatives has resonated with consumers with ongoing focus placed on supporting our brand positions and performance. Operating profit declined from R354,8 million to R340,8 million, with the operating profit margin decreasing from 20,9% to 19,4%.

Our fastidious approach towards managing profitability and improving cost efficiencies will remain a focus with restructuring initiatives undertaken in the latter part of the year expected to provide benefits into 2025. The ongoing review of our store base is expected to support trading densities across the Spitz, Kurt Geiger and Green Cross brands. During the year one Spitz store and two Kurt Geiger stores were opened.

Capital Expenditure

Capital expenditure of R45,2 million included R36,7 million for the refurbishment, relocation and opening of new stores.

Footwear and Apparel	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm	2017 R'm	2016 R'm	2015 R'm	Change F24 vs F23 %
REVENUE	**1 757,3**	1 696,9	1 511,0	1 466,0	1 475,0	1 818,8	1 964,4	1 914,1	1 854,3	1 796,2	**3,6**
OPERATING PROFIT	**340,8**	354,8	302,5	230,4	202,2	328,5	394,7	366,0	345,0	404,2	**(3,9)**
OPERATING MARGIN (%)	**19,4**	20,9	20,0	15,7	13,7	18,1	20,1	19,1	18,6	22,5	**(7,2)**
CAPITAL EXPENDITURE	**45,2**	75,0	47,2	24,2	28,9	55,5	41,5	49,1	99,3	88,9	**(39,7)**

SPITZ CARVELA MADE IN ITALY KURT GEIGER LACOSTE TOSONI GREEN CROSS GX&CO GANT

SPITZ	F24	F23	F22	F21	F20	F19	F18	F17	F16	F15
NUMBER OF STORES	**69**	69	69	72	74	74	75	77	76	74
TURNOVER (R'm)	**1 352**	1 262	1 102	1 079	1 065	1 251	1 329	1 287	1 271	1 231
AVERAGE (m^2)	**17 827**	18 367	18 681	19 034	19 489	19 484	19 841	19 776	19 388	18 442
TRADING DENSITY (R/m^2)	**75 838**	68 717	59 013	56 711	54 650	64 198	66 960	65 071	65 550	66 767
CLOSING (m^2)	**18 048**	18 358	18 394	18 956	19 384	19 363	19 460	20 037	19 726	19 144

KURT GEIGER	F24	F23	F22	F21	F20	F19	F18	F17	F16	F15
NUMBER OF STORES	**29**	31	31	34	34	33	33	33	34	29
TURNOVER (R'm)	**166**	188	187	174	175	210	217	211	196	179
AVERAGE (m^2)	**3 760**	3 934	4 222	4 219	4 259	4 186	4 194	4 135	4 187	4 045
TRADING DENSITY (R/m^2)	**44 220**	47 735	44 295	41 321	41 116	50 237	51 640	50 920	46 883	44 139
CLOSING (m^2)	**3 760**	3 934	3 934	4 287	4 289	4 191	4 194	4 115	4 266	3 677

GREEN CROSS	F24	F23	F22	F21	F20	F19	F18	F17	F16	F15
NUMBER OF STORES	**13**	15	18	22	37	41	45	42	38	30
TURNOVER (R'm)	**93**	103	103	104	141	225	276	275	238	221
AVERAGE (m^2)	**1 817**	2 141	2 494	3 450	4 825	5 340	5 436	4 925	4 210	3 457
TRADING DENSITY (R/m^2)	**51 271**	48 325	41 196	30 000	29 202	42 110	50 804	55 778	56 484	64 021
CLOSING (m^2)	**1 568**	1 999	2 326	2 745	4 471	4 936	5 536	5 218	4 697	3 529

GANT	F24	F23	F22	F21	F20	F19	F18	F17	F16	F15
NUMBER OF STORES	**5**	5	5	5	5	5	6	6	6	4
TURNOVER (R'm)	**90**	85	68	52	45	63	52	45	47	33

FINANCIAL REVIEW

AVI's results for the year ended 30 June 2024 reflect a pleasing performance in a challenging environment. The effective management of selling prices, strong cost control, the benefits of efficiency-improving investments at our production facilities and ongoing hedging supported good operating leverage and underpinned operating profit growth for the year.

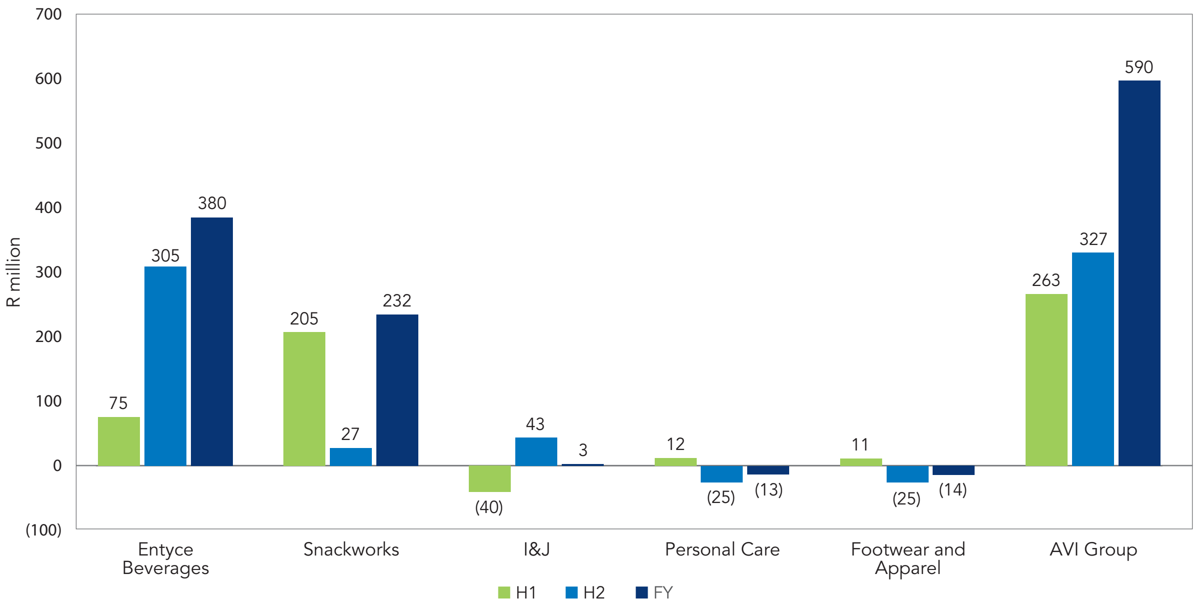
Group revenue increased by 6,3% from R14,92 billion to R15,86 billion. Entyce achieved the highest level of revenue growth with the benefit of selling price increases, taken in response to significant input cost pressures, further supported by improved sales volumes across all its categories. Tea sales volumes improved off a weak prior year base which included aggressive competitor promotions while Coffee grew volumes in the second half. Creamer performed particularly well, gaining market share with some benefit from competitor supply disruptions and production efficiencies which supported improved service levels. Snackworks achieved growth in Biscuits and Snacks due to higher selling prices, but performance slowed through the second half with increased pressure on sales volumes partially offset by the benefit of innovation launched. I&J had a difficult year with revenue declining due to increased competition and reduced demand in key abalone markets which constrained selling prices. Fishing revenues finished higher and improved through the second semester with better catch rates compared to the first half, benefits from a weaker Rand and higher selling prices. Indigo's personal care revenue declined 16,4% following the cessation of the Coty distribution agreement in July 2023. Indigo's owned brand categories performed soundly with growth in the roll-on and colour categories partially offset by marginally lower aerosol revenue as a result of the constrained and competitive environment. Spitz's footwear and apparel revenue grew 3,6% on last year supported by a strong December with good demand for core brands but had a challenging second semester with constrained demand exacerbated by increased discounting in the sector, particularly in apparel.

Consolidated gross profit increased by 13,5%, exceeding revenue growth, with the consolidated gross profit margin of 41,7% recovering to levels last achieved in 2019. Margins were well managed and supported by a combination of selling price increases, ongoing efficiency gains, fastidious cost control, effective hedging disciplines and the loss of the lower margin Coty business. I&J margins improved slightly but remain well below historical levels due to poor catch rates and constrained demand and pricing in key abalone markets.

Operating profit increased by 21,7% from R2,71 billion to R3,30 billion due to higher gross profit margins and effectively managed selling and administrative expenses which rose marginally ahead of inflation compared to last year. The operating profit margin improved from 18,2% to 20,8%.

Net finance costs for the year were marginally lower than last year with the impact of lower average borrowings partially offset by higher interest rates.

Change in operating profit F23 versus F24 – H1, H2 and full year (R'mil)



Headline earnings grew 24,2% and headline earnings per share increased by 24,1% from 553,6 to 687,1 cents per share, with a marginal increase in the weighted average number of shares in issue, due to the vesting of employee share schemes.

Cash generated by operations increased 22,7% to R3,78 billion, largely in line with the growth in operating profit. Working capital was effectively managed in what has remained a challenging supply chain environment, and increased R270,8 million, reflecting stronger sales in the last few months, the impact of delayed customer payments due to the close falling over a weekend as well as the timing of purchases and included the benefit of unlocking working capital previously held to support the Coty business. Capital expenditure amounted to R476,5 million with investment to improve the capacity and efficiency of our production facilities. Other material cash flows during the year were ordinary dividends paid of R1,71 billion, taxation paid of R910,2 million and interest paid of R199,3 million. Net debt, excluding lease liabilities, at the end of June 2024 was R876,3 million compared to R1,21 billion last year.

Dividend

In line with the Group's normal dividend payout ratio the Board has declared a final ordinary dividend of 388 cents per share, resulting in a full year ordinary dividend of 590 cents, which is 22,4% higher than last year, and in line with the growth in headline earnings.

Strong cash generation has supported lower than targeted gearing levels and as a result the Board has also approved a special dividend of 280 cents per share. This results in an effective dividend yield of 9,2% on the 30 June 2024 closing share price of R94,59. Taking into consideration the special dividend, AVI's gearing is expected to increase to the upper range of our normal targeted operating levels in the 2025 year.

Segmental review

	Segmental revenue			Segmental operating profit		
	2024	2023	%	**2024**	2023	%
Year ended 30 June	**R'm**	R'm	change	**R'm**	R'm	change
Food & Beverage brands	**13 082,5**	11 999,4	9,0	**2 770,7**	2 155,4	28,5
Entyce Beverages	**5 025,4**	4 251,6	18,2	**1 300,1**	920,2	41,3
Snackworks	**5 597,9**	5 261,2	6,4	**1 270,9**	1 038,4	22,4
I&J	**2 459,2**	2 486,6	(1,1)	**199,7**	196,8	1,5
Fashion brands	**2 779,8**	2 920,2	(4,8)	**560,8**	587,9	(4,6)
Personal Care*	**1 022,5**	1 223,3	(16,4)	**220,0**	233,1	(5,6)
Footwear & Apparel	**1 757,3**	1 696,9	3,6	**340,8**	354,8	(3,9)
Corporate				**(26,9)**	(28,5)	
Group	**15 862,3**	14 919,6	6,3	**3 304,6**	2 714,8	21,7

* *As of 1 July 2023, Personal Care revenue and operating profit does not include any contribution from the Coty business.*

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Definitions

Number of ordinary shares in issue

Total issued ordinary share capital.

Weighted average number of ordinary shares in issue

The time weighted average number of ordinary shares in issue, excluding shares held by AVI share trusts and subsidiaries.

Earnings per ordinary share

- Earnings and headline earnings respectively for the year in cents divided by the weighted average number of ordinary shares in issue.
- Diluted earnings and diluted headline earnings per ordinary share are calculated taking account of the unexercised share options as disclosed in Note 32 of the annual financial statements on pages 168 and 169, duly adjusted to take account of the shares to be issued at fair value calculated in accordance with IAS 33. Calculations are presented in Note 29 of the annual financial statements.

Dividend cover

Diluted headline earnings per share from continuing operations divided by the ordinary dividends declared to shareholders of the Company in respect of the results for the year.

Financial ratios

Operating margin

Operating profit as a percentage of revenue.

Return on capital employed

Operating profit before capital items and after taxation from continuing operations, as a percentage of average capital employed. Capital employed is total equity plus net interest bearing debt.

Net working capital

Inventories and trade receivables, less trade payables.

Free cash flow

Cash available from operating activities and investments, less net capital expenditure.

Free cash flow per ordinary share

Free cash flow for the year in cents divided by the weighted average number of ordinary shares in issue.

EBITDA

Operating profit before capital items and depreciation and amortisation.

Net debt/(cash)

Financial liabilities and borrowings and current borrowings, less cash and cash equivalents.

Interest cover ratio

EBITDA divided by net finance costs.

Net debt/capital employed

Net debt divided by capital employed.

Key statistics – five-year summary

	2024	2023	2022	2021	2020
Financial ratios (%)					
– Operating margin	**20,8**	18,2	18,3	18,2	17,7
– Return on capital employed	**34,3**	29,5	29,1	27,6	24,8
– Net working capital as a percentage of revenue	**24,2**	23,7	23,5	23,1	23,2
– EBITDA (R'm)	**3 852,4**	3 282,1	3 094,1	2 968,4	2 929,0
Liquidity					
– Free cash flow (R'm)	**2 223,6**	1 723,2	2 011,4	1 983,2	1 990,0
– Free cash flow per ordinary share (cents)	**672,2**	521,2	608,9	601,2	604,6
– Net debt/capital employed (%)	**19,7**	25,5	25,9	28,1	20,8
– Interest cover ratio	**20,9**	17,2	27,9	29,9	17,7
Employees at 30 June	**8 937**	9 220	9 315	9 351	9 824
Revenue – continuing operations (R'm)	**15 862,3**	14 919,6	13 845,3	13 269,2	13 209,7
Revenue per employee (R'000)	**1 774,9**	1 618,2	1 486,3	1 419,0	1 344,6

Share statistics – five-year summary

	2024	2023	2022	2021	2020
Number of ordinary shares in issue ('000)	**338 965**	338 192	336 002	336 504	335 837
Weighted average number of ordinary shares in issue ('000)	**330 792**	330 596	330 322	329 851	329 141
Share performance (cents per share)					
Earnings	**682,5**	555,6	530,1	498,9	591,6
Diluted earnings	**675,5**	553,8	528,8	497,4	589,8
Headline earnings	**687,1**	553,6	530,6	499,9	470,8
Diluted headline earnings	**680,0**	551,8	529,2	498,4	469,3
Dividends declared (excluding special dividends)	**590,0**	482,0	462,0	435,0	410,0
Dividend cover (times)	**1,15**	1,15	1,15	1,15	1,14
Market price per share (cents)					
– at year end	**9 459**	6 809	6 572	7 105	7 054
– highest	**9 650**	7 839	8 914	8 064	9 575
– lowest	**6 654**	6 200	6 227	6 539	6 332
– volume weighted average	**8 100**	7 077	7 429	7 337	7 920
Total market capitalisation at closing prices (R'm)	**32 062,7**	23 027,5	22 082,1	23 908,6	23 690,0
Price earnings ratio[1]	**13,8**	12,3	12,4	14,2	15,0
Value of shares traded (R'm)	**18 129,8**	16 804,0	18 540,2	22 924,4	25 221,6
Value traded as a percentage of average capitalisation (%)	**66,0**	70,2	74,3	92,9	94,8
Number of shares traded (millions)	**223,8**	237,4	249,6	312,5	318,5
Liquidity – number traded as percentage of shares in issue at year end (%)	**66,0**	70,2	74,3	92,9	94,8
Average weekly Rand value traded (R'm)	**355,5**	329,5	363,5	449,5	494,5

[1] *Calculated based on the published headline earnings per share and the share price at year end.*

Value added statement

	2024		2023	
	R'm	%	R'm	%
VALUE ADDED				
Revenue	**15 862,3**		14 919,6	
Cost of materials and services	**8 155,6**		8 042,1	
Value added by operations	**7 706,7**	**100**	6 877,5	100
Capital items (gross)	**(20,7)**	**–**	9,1	–
	7 686,0	**100**	6 886,6	100
Investment and other income	**11,6**	**–**	10,1	–
	7 697,6	**100**	6 896,7	100
VALUE DISTRIBUTED AND RETAINED				
Employees				
Salaries, wages and other benefits	**3 431,7**	**45**	3 159,5	46
Providers of capital	**1 926,1**	**25**	1 754,8	25
Dividends paid to Group shareholders	**1 709,8**	**22**	1 538,7	22
Interest paid	**199,3**	**3**	198,9	3
Lease expenses	**17,0**	**–**	17,2	–
Government	**1 254,5**	**16**	1 134,2	16
Taxation	**1 254,5**	**16**	1 134,2	16
Reinvested in the Group	**1 085,3**	**14**	848,2	12
Depreciation	**537,4**	**7**	550,0	8
Profit for the year	**2 257,7**	**29**	1 836,9	27
Dividends paid	**(1 709,8)**	**(22)**	(1 538,7)	(22)
	7 697,6	**100**	6 896,7	100

FINANCIAL REVIEW continued

Group at a glance

AVI	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm	Change F24 vs F23 %
Revenue	**15 862,3**	14 919,6	13 845,3	13 269,2	13 209,7	6,3
Operating profit	**3 304,6**	2 714,8	2 540,1	2 409,3	2 334,5	21,7
Operating margin (%)	**20,8**	18,2	18,3	18,2	17,7	14,3
Capital expenditure	**476,5**	482,2	240,8	315,7	376,6	(1,2)
Food and beverage						
Revenue	**13 082,5**	11 999,4	11 157,8	10 650,3	10 542,0	9,0
Operating profit	**2 770,7**	2 155,4	2 068,2	2 029,0	1 994,6	28,5
Operating margin (%)	**21,2**	18,0	18,5	19,1	18,9	17,8
Capital expenditure	**414,1**	383,8	177,8	272,9	310,5	7,9
Entyce Beverages						
Revenue	**5 025,4**	4 251,6	3 981,6	3 777,1	3 849,0	18,2
Operating profit	**1 300,1**	920,2	880,6	872,8	846,6	41,3
Operating margin (%)	**25,9**	21,6	22,1	23,1	22,0	19,9
Capital expenditure	**162,9**	109,3	50,8	44,2	92,6	49,0
Snackworks						
Revenue	**5 597,9**	5 261,2	4 702,4	4 267,8	4 365,1	6,4
Operating profit	**1 270,9**	1 038,4	881,4	814,6	910,2	22,4
Operating margin (%)	**22,7**	19,7	18,7	19,1	20,9	15,2
Capital expenditure	**167,6**	135,3	39,2	95,1	80,6	23,9
I&J						
Revenue	**2 459,2**	2 486,6	2 473,8	2 605,4	2 327,9	(1,1)
Operating profit	**199,7**	196,8	306,2	341,6	237,8	1,5
Operating margin (%)	**8,1**	7,9	12,4	13,1	10,2	2,5
Capital expenditure	**83,7**	139,2	87,8	133,6	137,3	(39,9)
Fashion brands						
Revenue	**2 779,8**	2 920,2	2 687,5	2 618,9	2 667,7	(4,8)
Operating profit	**560,8**	587,9	495,9	400,8	352,4	(4,6)
Operating margin (%)	**20,2**	20,1	18,5	15,3	13,2	0,5
Capital expenditure	**61,1**	91,8	56,8	36,2	53,9	(33,4)
Personal Care						
Revenue	**1 022,5**	1 223,3	1 176,5	1 152,9	1 192,7	(16,4)
Operating profit	**220,0**	233,1	193,4	170,4	150,2	(5,6)
Operating margin (%)	**21,5**	19,1	16,4	14,8	12,6	12,6
Capital expenditure	**15,9**	16,8	9,6	12,1	25,0	(5,4)
Footwear & Apparel						
Revenue	**1 757,3**	1 696,9	1 511,0	1 466,0	1 475,0	3,6
Operating profit	**340,8**	354,8	302,5	230,4	202,2	(3,9)
Operating margin (%)	**19,4**	20,9	20,0	15,7	13,7	(7,2)
Capital expenditure	**45,2**	75,0	47,2	24,2	28,9	(39,7)

Group balance sheets – five-year summary

	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm
ASSETS					
Non-current assets					
Property, plant and equipment	**3 248,3**	3 184,2	3 105,0	3 265,8	3 361,7
Right-of-use assets	**466,9**	483,2	424,9	251,7	310,8
Intangible assets and goodwill	**943,0**	927,7	937,0	789,8	799,3
Investments	**32,5**	34,5	29,1	32,0	35,1
Deferred tax asset	**71,2**	35,6	37,8	43,3	41,5
	4 761,9	4 665,2	4 533,8	4 382,6	4 548,4
Current assets					
Inventories and biological assets	**3 055,0**	3 052,6	2 820,7	2 474,2	2 491,9
Trade and other receivables including derivatives	**2 139,9**	1 989,1	1 798,6	1 795,4	1 886,0
Cash and cash equivalents	**352,9**	494,9	191,4	194,1	842,4
	5 547,8	5 536,6	4 810,7	4 463,7	5 220,3
Total assets	**10 309,7**	10 201,8	9 344,5	8 846,3	9 768,7
EQUITY AND LIABILITIES					
Capital and reserves					
Attributable to equity holders of AVI	**5 784,9**	5 116,9	4 793,7	4 401,9	5 018,4
Total equity	**5 784,9**	5 116,9	4 793,7	4 401,9	5 018,4
Non-current liabilities					
Lease liabilities	**404,9**	412,8	354,1	165,8	230,0
Cash-settled share-based payment liability	**15,2**	–	–	41,6	41,4
Employee benefit liabilities	**334,8**	286,7	282,3	320,1	378,4
Deferred taxation	**394,9**	405,6	441,9	426,8	433,8
	1 149,8	1 105,1	1 078,3	954,3	1 083,6
Current liabilities					
Cash-settled share-based payment liability	**–**	–*	34,8	–	–
Current borrowings	**1 367,2**	1 831,9	1 513,7	1 752,9	1 927,7
Trade and other payables including derivatives	**1 965,9**	2 066,6	1 853,5	1 688,9	1 712,2
Current tax liabilities	**41,9**	81,3	70,5	48,3	26,8
	3 375,0	3 979,8	3 472,5	3 490,1	3 666,7
Total equity and liabilities	**10 309,7**	10 201,8	9 344,5	8 846,3	9 768,7

** Rand amount is less than R0,1 million.*

Group income statements – five-year summary

	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm
Revenue	**15 862,3**	14 919,6	13 845,3	13 269,2	13 209,7
Operating profit before capital items	**3 304,6**	2 714,8	2 540,1	2 409,3	2 334,5
Income from investments	**14,8**	8,0	4,6	21,9	9,8
Finance costs	**(199,3)**	(198,9)	(115,5)	(121,2)	(175,3)
Equity accounted earnings of joint ventures	**(3,2)**	2,1	(0,8)	3,6	17,4
Capital items	**(20,7)**	9,1	(2,2)	(4,2)	455,9
Profit before taxation	**3 096,2**	2 535,1	2 426,2	2 309,4	2 642,3
Taxation	**(838,5)**	(698,2)	(675,0)	(663,7)	(695,0)
Profit after taxation	**2 257,7**	1 836,9	1 751,2	1 645,7	1 947,3
Earnings attributable to owners of AVI	**2 257,7**	1 836,9	1 751,2	1 645,7	1 947,3
Capital items after tax	**15,0**	(6,7)	-	3,1	(397,6)
Headline earnings	**2 272,7**	1 830,2	1 751,2	1 648,8	1 549,7

Group cash flow statements – five-year summary

	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm
Operating activities					
Cash generated by operations	**3 778,3**	3 079,7	2 999,4	3 021,0	3 220,3
Interest paid	**(199,3)**	(198,9)	(115,5)	(121,2)	(175,3)
Taxation paid	**(910,2)**	(697,4)	(648,4)	(640,4)	(711,3)
Net cash available from operating activities	**2 668,8**	2 183,4	2 235,5	2 259,4	2 333,7
Investing activities					
Cash flow from investments	**14,8**	8,0	4,6	21,9	9,8
Property, plant and equipment – net investment	**(460,0)**	(468,2)	(228,7)	(298,1)	(353,5)
Intangible assets purchased	**(25,8)**	(8,0)	(165,3)	(8,5)	(7,0)
Proceeds from disposal of interest in Simplot joint venture	**–**	–	–	–	631,8
Other movements in investments	**(1,3)**	(2,9)	1,2	4,3	7,4
Net cash (used in)/from investing activities	**(472,3)**	(471,1)	(388,2)	(280,4)	288,5
Financing activities					
Net increase in shareholder funding	**–**	–	–	–	8,0
(Decrease)/increase in short-term funding	**(471,9)**	305,4	(213,4)	(159,7)	(498,9)
Lease liabilities repaid	**(148,3)**	(147,2)	(158,1)	(174,0)	(159,6)
Payment to I&J BBBEE shareholders	**–**	(34,8)	(11,0)	(2,0)	(13,7)
Dividends paid	**(1 709,8)**	(1 538,7)	(1 473,2)	(2 281,2)	(1 352,3)
Net cash used in financing activities	**(2 330,0)**	(1 415,3)	(1 855,7)	(2 616,9)	(2 016,5)
(Decrease)/increase in cash and cash equivalents	**(133,5)**	297,0	(8,4)	(637,9)	605,7
Cash and cash equivalents at beginning of year	**494,9**	191,4	194,1	842,4	233,1
	361,4	488,4	185,7	204,5	838,8
Translation of cash equivalents of foreign subsidiaries	**(8,5)**	6,5	5,7	(10,4)	3,6
Cash and cash equivalents at end of year	**352,9**	494,9	191,4	194,1	842,4

SUSTAINABLE DEVELOPMENT REPORT

Introduction and overview

Sustainable development enables corporate citizens to prosper in a responsible manner and within a framework that safeguards both their and future generations' long-term sustainability. It requires the identification and active management of those issues that could materially affect the long-term successful existence of the enterprise in the context of all stakeholders – including, not exhaustively, shareholders and institutional investors, consumers, employees, customers, suppliers, government, unions, and local communities.

AVI Limited ("the Company") has a well-constructed governance framework that enables it to identify and manage material sustainability issues. The Company operates in a manner that ensures that the needs of the present generation of stakeholders are met without compromising future generations. Sustainability matters are monitored and managed, for example, by the appropriate diversity committee, health and safety committee, internal review committee, audit and risk committee, or social and ethics committee, while the overarching responsibility for matters before these committees remains vested with the Company's board of directors ("Board"). Sustainability matters that are deemed to be of a material nature, or that require heightened focus, are elevated to the Board. Executives within the Company remain responsible for specific matters and are held accountable for their successful implementation and management.

The Company considers its sustainability responsibilities under three broad categories:

- **Ethics** – ethics are the foundation of an effective and sustainable organisation that must operate without censure or compromise over the long term. Proper ethics and appropriate values are central to the Company's culture and therefore to the behaviour of its employees. They assist in establishing a willingness to accept and respond to broader issues in our society, forming the basis of the Company's interactions with its stakeholders.
- **Scarce resources, biodiversity, and environmental** – in order to ensure that future generations have access to the resources on which the Company is reliant, and that the Company's viability is not compromised in the long term, the Company is intent on carefully managing those scarce resources

relevant to its operations, where practical, and ensuring that its operations do not detrimentally impact vulnerable and/or endangered natural habitats, wildlife, or local communities. The Company is committed to the application of sustainable practices across its operations.

- **Transformation and good corporate citizenship** – the Company recognises the moral, social, and economic imperatives to embrace and support transformation in South Africa and to be regarded as a valuable participant in the South African economy and society. The Company also recognises the need to be, and to be seen as, a good corporate and socially responsible citizen that it is desirable to do business with.

The Company endorses the principles set out in the Constitution of the Republic of South Africa, 1996 (including, without limitation, the Bill of Rights in Chapter 2), the International Labour Organisation ("ILO") Labour Standards, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct ("OECD Guidelines"), the UN Universal Declaration of Human Rights, the UN Global Compact, the UN Convention on the Rights of the Child (as amplified in the UNICEF Children's Rights and Business Principles), and the UN Guiding Principles on Business and Human Rights, as meaningful frameworks for achieving best social, governance, and environmental practices and outcomes. AVI is committed to responsible business conduct in every aspect of its operations with a view to contributing to economic, environmental, and social progress and achieving sustainable development. AVI is committed to cooperating with relevant stakeholders towards the same end.

Guiding framework

The following guidelines and/or standards were consulted when compiling this report:

- The King IV Report on Corporate Governance for South Africa, 2016 ("King IV report");
- The Listings Requirements of the JSE Limited ("Listings Requirements");
- The JSE Responsible Investment Index criteria; and
- The Global Reporting Initiative ("GRI") frameworks.

While the King IV report and Listings Requirements require the Company to prepare an integrated report, various other reporting frameworks deal with sustainability reporting criteria. The GRI framework and JSE Responsible Investment Index have been identified by the Company as appropriate reference frameworks for reporting on these issues based on the Company's specific needs, its areas of operation, and stakeholder concerns.

During the year, the Company identified material Group-wide issues for reporting purposes and an index indicating where these issues are referenced throughout this annual report can be found on page 70. While these issues have been categorised according to the GRI framework, the Company has not undertaken a detailed self-assessment nor been externally assured, and the decision to use the GRI and JSE Responsible Investment Index frameworks for guidance in compiling this report is not intended to declare compliance as understood in either framework but rather to provide the Company with a basis on which to determine the material topics for reporting.

The Company remains committed to ongoing review and re-assessment of the scope of its reporting, as well as to regular consideration of the advisability and need for formal reporting or assessment against the accepted frameworks.

Disclosures on the Company's approach to managing the matters relating to the Company's sustainability can be found throughout the report either as an introduction to the relevant sections or as specific disclosures on relevant issues.

Social and Ethics Committee

The Social and Ethics Committee was constituted in August 2011 in terms of the Companies Act No. 71 of 2008, as amended, and the Regulations thereto ("the Companies Act 2008"), and adopted formal terms of reference, delegated to it by the Board, as its charter. The charter is subject to the provisions of the Companies Act 2008 (in particular Section 72 as read with Regulation 43). The committee has discharged its functions in terms of its charter, and in particular reviewed the Company's activities, having regard to relevant legislation and other legal requirements and best practice, relating to:

- Social and economic development;
- Good corporate citizenship;
- The environment, health, and public safety;
- Consumer relationships;
- Labour and employment; and
- The Company's ethics codes and performance.

The committee has unrestricted access to all Company information, employees, and directors and is authorised, after discussion with the Chairman of the Board where necessary, to investigate any matters within its terms of reference; seek external professional advice; secure the attendance of relevant consultants at its meetings; and implement policies approved by the Board. In addition, the committee has the mandate to bring matters within its remit to the attention of the Board and to report back to shareholders at the Annual General Meeting.

For further details regarding the composition and meetings of the committee, shareholders are referred to the Corporate Governance Report on page 86.

Stakeholder engagement

Stakeholder engagement is an important aspect of the Company's sustainability responsibilities, and it formally identifies and recognises material stakeholders with legitimate interests with whom it engages on relevant issues. Engagement with these stakeholders takes a variety of forms, depending on the matter at hand, and may vary in frequency. Where key topics and concerns are raised through such stakeholder engagements, the Company responds to the relevant stakeholders in a variety of ways, including directly or through its annual reporting. The table below lists the more obvious stakeholders and provides examples of the nature of the engagements that the Company has with them.

Stakeholder type	Nature of the engagement
Shareholders, analysts and media	• Annual General Meeting at which shareholders have an opportunity to vote on material resolutions, including the appointment and remuneration of directors, as well as the remuneration policy and implementation report • Distribution of information via the website, including financial, brand, governance, social, ethics, and sustainability matters • Press releases and SENS announcements • Formal presentation of the half year and final financial results to the investment community • Integrated Annual Report • Interviews and media briefings • Scheduled bi-annual meetings with analysts • Ad hoc meetings with analysts and investors, both locally and overseas, as required • Meetings to resolve queries on specific matters as required
Customers and consumers	• Daily contact in own and customers' stores • Meetings • Consumer and product research • Marketing campaigns • Websites and social media platforms • Customer care and complaint lines • Customer audits
Employees and employee representative bodies (including unions)	• Intranet and published newsletters or notices • Bi-annual presentations by the Chief Executive Officer to the executive community • Presentations and written communication (e.g. newsletters and posters) on material issues and regulations affecting employees • Conferences and general staff meetings • Performance appraisals • Union representative forums • Workplace forums such as the employment equity and learning and development forums • Industry relevant Sector Education and Training Authorities • Independent anonymous reporting hotline • Intranet-based incident reporting system • Ad hoc events
Suppliers	• Product conferences • Visits and meetings • Participation in manufacturing improvement projects and legislation compliance teams on matters such as waste management • Supplier audits • Senior operational and procurement staff day-to-day interactions
Communities and non-profit organisations	• Corporate social investment programmes • Workplace learning and development programmes for unemployed learners • AVI graduate development programme • Partnerships and sponsorships • Ad hoc community engagements in surrounding communities, including Company-sponsored employee volunteer days

Stakeholder type	Nature of the engagement
Business associations	• Participation in or membership of numerous associations such as the South African Chamber of Commerce and Industry; Accelerate Cape Town; the Consumer Goods Council of South Africa; a number of fishing industry associations including the South African Deep-Sea Trawling Industry Association, the Responsible Fisheries Alliance, the World Wildlife Fund's Southern African Sustainable Seafood Initiative, the Abalone Farmers' Association of South Africa, and the South African Midwater Trawling Association; the South African Association for Food Science & Technology; the Restaurant Association; the Speciality Coffee Association of South Africa; the Cosmetic, Toiletry & Fragrance Association of South Africa; the Aerosol Manufacturers' Association; the Institute of Packaging SA; the South African Rooibos Council; the Industrial Gas Users Association of South Africa; the South African Association of Freight Forwarders; and the Responsible Packaging Management Association of Southern Africa • Participation in association initiatives • Membership of Product Responsibility Organisations in the packaging industry, including Metpac, Polyco, and Fibre Circle
Government or regulators	• Regular contact with relevant industry and government bodies, such as the Consumer Goods Council; Business Unity South Africa; the Department of Health; the Department of Trade and Industry; the Department of Forestry, Fisheries, and the Environment; and, the Department of Employment and Labour, to contribute to the development of sensible and sustainable legislation and regulations • Participation in industry or government crisis management teams

Ethics and Compliance

The Company has a well-established and comprehensive Code of Conduct and Ethics ("the code") that applies to all directors and employees and provides clear guidance but without limitation, on what is considered to be acceptable conduct. The code requires all directors and employees to maintain the highest ethical standards and ensure that the Company's affairs are conducted in a manner which is beyond reproach. The code is communicated to all new employees as part of their induction training, is published on the intranet for access at all times by employees, and is published on the external Company website for public access (https://www.avi.co.za/code-of-conduct-ethics/). The code is aligned with the recommendations in the King IV report, the ILO Labour Standards, the OECD Guidelines, and the United Nations Universal Declaration of Human Rights, and is regularly reviewed to ensure that it remains up to date and relevant. In order to obtain a fuller picture of the Company's commitment to the issues addressed in the code, stakeholders are encouraged to access and read the code.

In order to monitor ongoing compliance with the code, the Company has a formal governance framework. Within the governance framework, material issues are highlighted in management reports that are reviewed by the operating executives. If appropriate, matters are elevated to the Company's Board or Audit and Risk Committee. This formal framework is supported by the Company's internal audit function, which is responsible for investigating identified areas of concern and reporting its findings to the Company's Chief Financial Officer and the Audit and Risk Committee. The Company subscribes to an independent, professional hotline disclosure service as an important component of an ethical environment. This service facilitates confidential reporting on corrupt activities and other unethical conduct. Communication drives are undertaken from time to time to remind employees of this "whistleblowing" service. In addition, the Company has implemented an in-house intranet-based incident reporting service that requires employees to report incidents, or potential incidents, which have caused or could have caused harm to the Company's property, or people on the Company's premises. A senior employee actively manages the incident management reporting system and also engages with the ethics hotline service providers. All anonymous reports and other reported incidents are reviewed on a daily basis, and, if appropriate, thoroughly investigated. The Company has a proven record of dealing appropriately with matters arising from the ethics hotline and incident management reporting systems. Investigations and disciplinary hearings have been held and, where appropriate, civil and criminal action has been taken. Breaches of applicable laws or relevant codes by suppliers may result in termination of the business relationship with them, and/or civil and criminal action being taken.

The Company is compliant with the provisions of the Protection of Personal Information Act, 4 of 2013, in that all appropriate policies, consents, and security safeguards for the lawful processing of personal information are in place. The Group Chief Executive Officer is appointed as the Information Officer and registered with the Information Regulator. The Company's manual in terms of the Promotion of Access to Information Act, 2 of 2000, and privacy policies can be found on the AVI and all other Group company websites.

There was one substantiated cyber breach during the reporting period, which was internally identified. This resulted in the credit card information of 91 customers who completed a transaction through PayU on the Ciro Coffee Boutique website possibly being compromised. By the exploitation of the credentials of a third-party administrator, an unknown intruder gained unauthorized access to the Ciro Coffee Boutique website's administration panel. Not all attempts to send customer credit card information to the intruder's server were successful, owing to security restrictions. The affected website was taken offline as soon as the breach was detected, the malicious script in the PayU Gateway was removed, and additional security measures were implemented. The compromised third-party administrator account was disabled and a password reset was forced on all other administrator accounts. A list of affected customers was compiled and they were notified of the breach. The breach was reported to the Information Regulator under their reference SC 907-23.

No complaints concerning breaches of customer or supplier privacy and/or loss of customer and/or supplier data were received from external sources or from the Information Regulator.

In accordance with amendments made to the Financial Intelligence Centre Act, 2001 ("FIC Act"), in 2021, the Company has published its Group Risk Management and Compliance Programme ("RMCP"), which is applicable to all Group companies meeting the requirements to be "accountable institutions". Ultimate responsibility and accountability for compliance with the FIC Act rests with the Company's Board but responsibility and accountability for implementation of and compliance with the RMCP is delegated to the managing directors of the Group companies. The Finance Shared Services division has been appointed as the necessary compliance function, with the head of Finance Shared Services being the person with sufficient competence and seniority to ensure the effectiveness of the compliance function. The FIC Act seeks to combat money laundering activities, terrorist financing activities, and proliferation financing activities, and to impose certain duties on institutions and other persons who might be used for such purposes. The Group companies have done the required risk assessments, implemented enhanced risk mitigation and customer due diligence processes, and complied with Directive 8 of 2023 in respect of screening of employees for competence and integrity and scrutinising of employee information against targeted financial sanctions lists as a money laundering, terrorist financing and proliferation financing control measure. All affected Group companies have also registered with the Financial Intelligence Centre and filed their annual risk and compliance reports in terms of Directive 7 of 2023.

In addition to the formal ethics framework, it is imperative to promote a culture that is consistent with the ethical values that the Company aspires to. This is achieved through the example set by the Board and executive management, consistent enforcement of these values, and the careful selection of employees that display the desired attributes and values. The Company continues to communicate formally with suppliers and customers to secure their support for and compliance with its ethical standards and has a published Group Supplier Code of Conduct, which code is compulsory for all suppliers of goods or services to the Group (https://www.avi.co.za/) ("supplier code"). More details regarding the supplier code and compliance therewith, are contained in the section of this report titled "Supply Chain". In order to obtain a fuller picture of the Company's commitment to the issues addressed in the supplier code, stakeholders are encouraged to access and read the supplier code.

AVI is committed to conducting its activities in a manner consistent with all applicable competition laws and regulations. AVI cooperates with the competition authorities as and when required, providing responses to requests for information as promptly and completely as practicably possible. No legal actions were pending or completed during the reporting period regarding anti-competitive behaviour or violations of abuse of a dominant position in which the Company (or any of its subsidiaries) were identified as a participant.

The Company is an apolitical enterprise and its funds, goods, or services may not be used as contributions to political parties and/or their candidates and/or unions and/or union officials, and the Company's facilities may not be made available to political candidates and/or union officials or their campaigns (other than as specifically provided for in formal recognition agreements between the Group companies and trade unions). No financial or in-kind political contributions were made by the Company, directly or indirectly, in any country in which it operates.

The Company's approach to tax is to always ensure that it remains compliant with applicable tax laws in the jurisdictions in which the Company and its subsidiaries operate, while ensuring that the Company sustains shareholder returns. The Company's integrity and reputation as a good corporate citizen remains important and is embodied in the Company's approach to corporate tax compliance. The Company has a Group tax function which is overseen by the Group Chief Financial Officer and provides support to underlying subsidiary tax functions, is responsible for various aspects of tax compliance across the Group and ensures that the Company remains abreast of the changing tax landscape. When necessary, external experts are consulted to support the Company's internal capabilities and address areas of concern. Adherence to tax requirements, the current status of submissions, and outcomes from revenue authority audits, together with other pertinent tax matters, are reported to subsidiary internal review committees and, if required, are escalated to the Group Audit and Risk committee. The external auditors also conduct annual independent audits of the Company and subsidiary compliance. The Group's effective tax rate for 2024 is 27,08% compared to 27,54% in the previous year.

Scarce resources, biodiversity and environmental

Fishing resources

One of the Company's primary exposures to scarce resources that could materially impact its business is the sustainability of fishing resources (primarily deep-water hake) in South African territorial waters. I&J currently has long-term hake fishing rights at a level that can support economic returns provided that the resource remains at sustainable harvest levels.

I&J holds long-term fishing rights in the Hake Inshore Trawl, Patagonian Toothfish, and Horse Mackerel sectors, secured by means of the 2015 Fishing Rights Allocation Process and which remain in place until the end of 2031.

Furthermore, following the 2020/2021 Fishing Rights Allocation Process and subsequent appeals, I&J was also successful in securing 29,45% of the "Hake Deep Sea Trawl Total Allowable Catch ("TAC")", representing a 5,0% reduction against the previously held rights. This, together with the Hake Inshore Trawl rights represents 25,8% of the total Hake TAC.

The I&J's squid operations held in the Umsobomvu joint venture were disposed of in terms of a sale of business agreement, with relevant approval obtained for the transfer of the squid operations to the purchaser and the final conditions of the sale having been met post-year end.

The health of the South African fishing resource is managed by the Department of Forestry, Fisheries and the Environment ("DFFE"). The DFFE sets an industry-wide annual TAC for each species under management, and for certain species, also sets a "total allowable effort" in which a limit is placed on the number of boats, number of men, and the number of days per year that each boat is licensed to fish. In addition to the TAC, hake trawling sector effort limitations apply which seek to ensure that the capacity of the deep-sea trawling fleet does not grow too big for the available resources.

The TAC level is managed conservatively based on scientific modelling of catch data recorded by fishing companies and annual resource survey voyages conducted by the DFFE using either their own or chartered vessels. The graph below shows the I&J quota (representing a portion of the TAC) over an extended period, with movements tracking the performance of the hake resource over time. Following a 5% reduction in the TAC in both 2021 and 2022 the DFFE increased the TAC by 5% in 2023 and again in 2024 based on good recruitment and subsequent favourable industry surveys

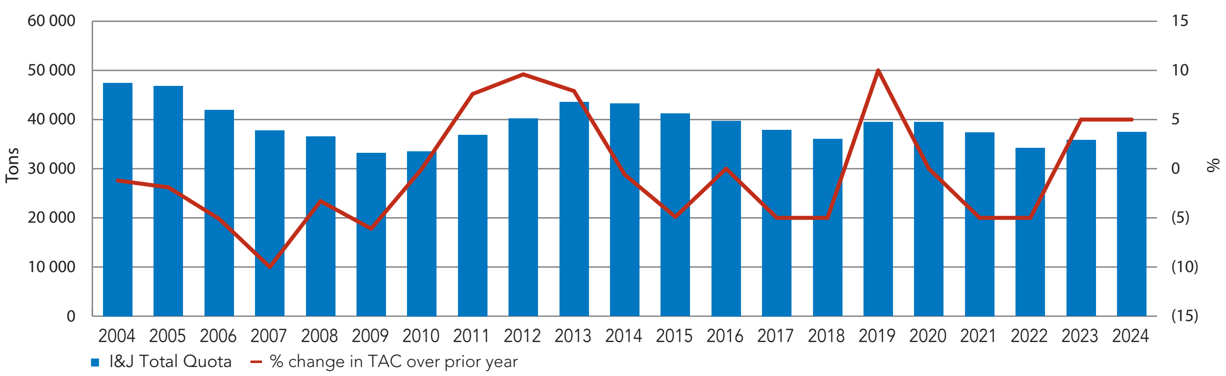
In the past few years, I&J has caught an increased proportion of smaller fish, negatively impacting freezer catch rates and land-based processing owing to an increase in the number of fish to be processed for an equivalent volume. This has been experienced previously and is part of the natural biomass cycle, which is influenced by various environmental factors. Although this proliferation of small fish negatively impacts performance in the short term, it is indicative of strong recruitment.

The strong recruitment is, in part, the reason for the increase in TAC. However, weather and oceanic conditions are intricately connected to fish availability and catch rates. Over the past 2 years increasingly extreme weather records have been broken globally. Off the coast of South Africa there has not been a significant increase in storm frequency, but there has been an increase in intensity recorded, with increases in wave height and wind speeds. Although this change is not necessarily negative for resource biomass, it does negatively affect the fishing operations.

I&J strives to lead initiatives to manage fishing efforts and protect breeding areas off the South African coast to ensure a sustainable resource for future generations. Notable accreditations and initiatives are set out below:

- Certification by the Marine Stewardship Council ("MSC") since 2004: The MSC is a global organisation that works with fisheries, seafood companies, scientists, conservation groups, and the public to promote sustainable fishing. Its fishery certification programme recognises and rewards sustainable fishing. In 2021 the South African hake fishery was recertified for the fourth time, based on the latest certification standard released by the MSC, providing assurance to buyers and consumers that the fishery is well-managed and sustainable, which is increasingly relevant to I&J's customers and consumers.

I&J TAC 2004 to 2024



- Responsible Fisheries Alliance ("RFA"): In 2009 I&J joined the global conservation organisations WWF, BirdLife South Africa, and other local fishing companies to form the Responsible Fisheries Alliance. The objective of the RFA is to ensure that all stakeholders understand and support the implementation of an Ecosystem Approach to Fisheries ("EAF") management in South Africa's fisheries. EAF seeks to protect and enhance the health of marine ecosystems. The goals of the RFA include promoting responsible fisheries' practices, influencing policy on fisheries' governance, and supporting skills development and research in the industry.
- Operational Management Practice ("OMP") and TAC: The South African Hake Trawl Fishery was one of the first in the world to implement OMP for hake, which sets the TAC and determines how it is calculated using scientific methods and data. This is achieved and enforced through partnering with the DFFE, which appoints a number of scientific working groups to formulate research advice.
- Ring Fence Initiative: In 2006 I&J and other members of the South African Deep-Sea Trawling Industry Association agreed to ring-fence areas in order to protect the seabed and preserve our natural resources by creating a natural refuge for hake and other fish species.
- Responsible By-Catch Management and Endangered, Threatened, and Protected (ETP) and Vulnerable Marine Ecosystem (VME) protection: During I&J's fishing operations there will be incidents where species with sustainability concerns are caught as unavoidable by-catch. I&J cannot completely avoid or exclude these species from its fishing operations but is committed to ensuring that these species are included in an effective By-Catch Management Plan and best practice solutions are proactively implemented to manage and mitigate the impact on these vulnerable species, including a third-party observer programme and self-reporting system.
- Certification by the Aquaculture Stewardship Council: I&J's Aquaculture Division achieved recertification of the Farmed Abalone operation in 2022.

Water

Water is, and always will be, a scarce resource throughout South Africa. There is no region in South Africa where water stress is not a priority problem. Each area experiences water issues owing to a number of factors, including but not limited to, excessive use, growing demand, pollution, thirsty invasive plants, inadequate infrastructure, and poor practices. There is no single solution to the problem and potential shortages, interruption of municipal supply, and quality of water have been identified as risks at most of the Company's facilities. The Company has invested substantial time and money to mitigate these risks, including using borehole water, installing water reservoirs, recycling condensate and effluent, installing a desalination processing plant at I&J, and taking action to measure and better manage water consumption. Water usage management plans can include measuring water usage to identify saving opportunities, optimising equipment to reduce evaporation, replacing fixtures with water-efficient fixtures, using waterwise landscaping and irrigation, and recovering condensate. The Company is acutely aware of the need to not only manage the risks associated with water shortages, but also to manage the resource as a whole. The Company is committed to monitoring the impact of its operations on water sources and engaging with relevant stakeholders, including DFFE.

I&J in particular is highly dependent on potable water to produce ice for fishing operations as well as for the processing of fish, and the cleaning of both the Woodstock Primary Processing and the Paarden Island Value Added Processing facilities. I&J has implemented a number of water-saving initiatives, resulting in a reduction in usage of municipal water of approximately 80% since F16. In 2017/2018 and in view of the drought in the Western Cape and the risk of significant water supply restrictions in Cape Town, I&J engaged with both government and water specialists to assist in investigating alternatives with a view to securing a supply of water sufficient to maintain operations into the future. To this end, a substantial investment in producing potable water from non-potable ground water and a desalination process have been installed, both of which have assisted substantially in the reduction of I&J's dependence on municipal water.

Indigo Brands maintained its water-saving initiatives previously implemented, including water metering and monitoring, and a water-wise garden, and installed a chlorine dosing system in the potable water reticulation system after tests showed a lack of free chlorine in the municipal water supply. Over and above the current water storage reservoir, Indigo Brands will rely on potable water transported from the I&J water purification plant in the event of municipal supply interruptions and are planning to install additional potable water reservoir capacity in F25.

The Isando area had a number of water outages during F24, mainly impacting the Isando Coffee and Creamer factory despite the site having three days' back-up water. National Brands had installed process water back-up tanks at its sites over recent years but owing to the further deterioration in water supply security as a result of municipal infrastructure failure, it is further increasing the back-up storage at some sites.

Additional water tanks were approved for the Isando Biscuit factory, with construction being completed in F24. This is planned to increase process water storage on site so that production can continue unhindered for more than 11 days should the municipal water fail. In addition, water supply through boreholes is under investigation for both the Isando and Westmead Biscuit factories and the Isando Coffee and Creamer factory. Should this be found viable, the Water Treatment Plants will also be equipped to treat any out-of-specification municipal water.

The installation of a Water Treatment Plant at the Rosslyn Snacks factory is currently in progress and planned for completion during F25. Provision has been made for new, larger water storage tanks adequately sized for the site's water requirements (expected to meet more than 82% of the site's process water requirements). Water pumped from boreholes will be treated through cartridge filtration, reverse osmosis, and disinfection to meet SANS 241-1:2015 drinking water specifications and the same equipment will also have the ability to treat any out-of-specification municipal water.

Electricity

The extreme energy shortages experienced in South Africa highlight the need for the Company to be more self-sufficient and to make energy conservation a priority. The subsidiary companies have implemented numerous energy-saving initiatives to manage energy usage and, at the same time, generators have been installed at most of the Company's facilities to ensure continuity of supply. The generator installations across the Group ran for a total of 11 674 hours in 2024. Unfortunately, given the unpredictability of electricity generated and available for distribution in South Africa, generators are an essential feature of business. The generators help to sustain production throughput and customer service levels despite increasingly unpredictable supply and repeated load-shedding, albeit at an increased cost and increased diesel usage.

Where viable, the Company has also installed solar power at certain sites, including its Illovo and Bryanston office blocks and the Isando Distribution Centre, to not only mitigate the impacts of load-shedding but also to try and replace or, at least, supplement electricity supply from the main grid and reduce the Company's overall reliance on fossil fuel-based energy sources, including supply from the main grid and generators.

Details of specific energy-related projects implemented and planned throughout the Group are included later in this report under the section on environmental practices.

Biodiversity

South African biodiversity includes a wide variety of natural resources. Despite its relatively small land surface area, South Africa is home to 10% of the world's plant species, many of which are endangered and vulnerable. The loss and degradation of South Africa's biodiversity has serious implications for society and the economy. Large portions of the country's economy are dependent on biodiversity, including the fishing industry and agriculture based on indigenous species.

I&J's Danger Point abalone farm is situated immediately adjacent to the sea and is the Company's only property in or adjacent to an area of high biodiversity. South Africa's high energy coastline is generally unsuitable for offshore fish farming and land-based aquaculture allows for better control over environmental factors so that the impact on the environment can be limited. Although abalone aquaculture has a relatively low impact on the environment, in order to minimise any potential harm, the global abalone farming industry, including I&J, has, together with the WWF, developed a set of standards. The Danger Point abalone farm has adopted the Global Abalone Standards and has been audited by the Aquaculture Stewardship Council ("ASC"). Accreditation was granted in November 2015 and renewed in 2019 and 2022. This eco-label is used to guarantee that I&J's abalone products are and continue to be raised in an environmentally responsible manner. The abalone processing plant located on the Danger Point abalone farm complies with all ASC, DFFE, FDA, FSSC 22000, and National Regulator Compulsory Specifications and standards.

The Rooibos plant *Aspalathus linearis* is part of the Cape Floral Kingdom, commonly known as "fynbos". Rooibos is indigenous to the Cederberg Mountains around Clanwilliam. At the turn of the 19th century, it was common practice for the inhabitants of the Cederberg region to harvest the wild-growing Rooibos plants. The leaves and fine stems were chopped, fermented, and dried to be used in a variety of ways. In 1904 a Russian immigrant and descendant of generations of tea traders, introduced Rooibos to the wider world. By 1930 a local medical doctor and botanist had discovered the secret of germinating Rooibos seeds and, together with a local farmer, developed new cultivation methods on a larger scale along the slopes of the Cederberg Mountains. This is still the only place in the world where Rooibos is grown, and the European Commission has approved the registration of the designation "Rooibos/Red Bush" in its register of protected designations of origin and protected geographical indications. Rooibos is the first African food to receive the status of a protected designation of origin in the EU register. It is hoped that this registration will assist in sustaining the Rooibos industry and that higher consumption flowing from increased recognition will contribute to the preservation of traditional knowledge and further uplift small-scale farmers in the indigenous communities producing Rooibos.

The commercial farming and production of Rooibos has resulted in the establishment of a worldwide distribution network and medical science is starting to discover the many health benefits of Rooibos. In 2010 the South African San Council ("SASC") approached the DFFE requesting negotiations with the Rooibos industry in accordance with the National Environmental Management (Biodiversity) Act of 2004 ("NEMBA").

In 2012 they were joined by the National Khoi & San Council ("NKSC") in seeking recognition as joint traditional knowledge rights' holders. Under the facilitation of the DFFE, these two parties met with the South African Rooibos Council for the first time in 2012 to start the process of negotiating an Access and Benefit-Sharing ("ABS") agreement for Rooibos. One of the fundamental principles of an ABS agreement is the fair and equitable sharing of the benefits arising from the commercial utilisation of indigenous biological resources.

After a long process of negotiations, a historic, industry-wide, ABS agreement was signed in 2019 between the SASC, the NKSC, and the South African Rooibos industry. The ABS agreement seeks to balance the interests of the indigenous communities and the sustainability of the industry and forms the basis on which these communities will access a percentage contribution from the sale of Rooibos. The ABS agreement ensures the Rooibos industry's compliance with South Africa's bioprospecting laws and regulations. The benefits generated are paid to the communities through two community trusts. These trusts are overseen by trustees selected from within the traditional communities and the local farming communities. Additional members may include independent legal advisors and representatives of the DFFE, the Department of Cooperative Governance and Traditional Affairs, and the Department of Science and Technology. The trusts are under the oversight of the Master of the High Court.

In July 2022, the first round of benefit-sharing funds for 2019 volumes in the amount of R12,2 million was distributed to the National Khoi and San Council and the South African San Council as part of the ABS agreement. A further payment of R11,1 million for the 2020 and 2021 volumes was paid at the end of February 2023 and R5,2 million paid at the end of January 2024 for the 2022 volumes. The 2023 volumes are still being finalised for calculation of the levies payable.

On a global scale, natural forests are among the most biodiverse habitats and are home to many people who derive their livelihoods from forest biodiversity.

Large-scale industrial logging and monoculture plantations cause damage to natural forests. Protecting these and other biodiverse habitats must be a priority for all industries and the Company is committed to addressing the issue of corporate deforestation through the development and implementation of environmentally friendly, responsible, and sustainable procurement programmes. Details of such procurement programmes are set out in the environmental practices section below.

Environmental policy

The Company recognises that its use of natural resources has a socio-economic and physical impact on the environment, accepts responsibility for such impacts, and pursues responsible environmental and climate change practices. This involves:

- Reducing the Company's environmental impact and continually reviewing and improving the Company's environmental performance as an integral part of the Company's business strategy and operating methods;
- Compliance with applicable environmental legislation and relevant standards;
- Responsible environmental management of inputs (material, energy, and water) and outputs (emissions, effluents, and waste);
- Independent annual environmental audits at each manufacturing site that measure the impact the particular operation has on the environment and that review compliance with legislation and Company policy;
- Providing a framework for setting and reviewing objectives and targets;
- Ensuring that all employees understand the environmental policy and conform to the standards it requires; and
- Reporting in the Company's annual report on performance.

The Company's Board is responsible for the environmental policy and for ensuring that its principles are considered in formulating the Company's business plans. The Company's Chief Executive Officer and senior management are in turn responsible for the implementation of the business plans and communication of the policy. The Board has delegated the responsibility for monitoring compliance with the policy to the Company's Audit and Risk Committee, with responsibility for monitoring the Company's environmental activities and the impact thereof delegated to the Social and Ethics Committee.

The Company remains committed to responsible management of applicable environmental matters, including those which impact on climate change and relate to responsible and sustainable environmental practices, such as greenhouse gas emissions; raw materials usage and recycling; resource usage and efficiency (including water and electricity); impacts on biodiversity; and emissions, effluents and waste management. In particular, the Company is aware that climate change will impact on natural resources and legislative changes that will affect the way the Company does business. The Company monitors relevant global and local legislation, regulations, and emission-reduction targets.

The Carbon Tax Act, 15 of 2019 came into effect on 1 June 2019. Carbon Tax is aimed at reducing greenhouse gas ("GHG") emissions in a sustainable, cost-effective, and affordable manner and gives effect to the polluter-pays-principle. The Company has licensed each of its affected facilities for environmental levy purposes and the relevant emissions are measured. Carbon Tax paid since implementation is reflected in the environmental data table on the following page.

Environmental data

Since 2012 the Company has been measuring, managing and reporting on certain identified environmental impact areas and a comparison of the measurements for the last five years is set out on the following page. Whilst these indicators are helpful in understanding the Company's environmental impact on an annual basis, it must also be borne in mind that increases in water and energy consumption cannot be read in isolation as these increases are directly related to performance and output and do not necessarily reflect inefficiencies or abuses in the utilisation of such resources or a disregard for the need to manage natural resources. Increased factory output, which increases productivity and profitability, will naturally require increased water and energy consumption. As set out more fully elsewhere in this report, the businesses are continually looking for and finding ways to become more water and energy efficient:

	Indicator	Unit	Carbon (kg)	Data F24	F23	F22	F21	F20
1	**Total water consumption by source –**							
1.1	Municipal	Litres	204 904	**687 597 914**	663 883 541	663 565 098	589 855 793	500 806 371
1.2	Ground water (borehole)	Litres	62 523	**209 808 000**	196 640 000	209 967 000	128 601 729	125 811 000
1.3	Desalinated	Litres	79 595	**22 421 000**	24 541 000	20 943 500	24 885 000	25 783 351
2	**Total energy consumption –**							
2.1	Purchased electricity	kWh	88 693 124	**86 109 829**	83 853 489	95 391 743	101 639 745	102 393 633
2.2	Coal	Tonnes	42 910 491	**15 021**	14 271	14 668	14 532	14 444
2.3	Petrol	Litres	1 631 518	**582 685**	682 703	539 099	594 599	674 732
2.4	Diesel	Litres	60 880 247	**20 537 262**	21 735 034	21 657 784	20 093 935	12 363 446
2.5	Liquified petroleum gas (LPG)	Litres	1 838 885	**1 888 424**	2 101 519	2 063 795	2 017 449	1 927 767
2.6	Natural gas	Cubic metres	7 017	**2 570 571**	2 802 749	2 835 133	2 931 147	3 107 232
2.7	Heavy marine fuel*/Jet fuel	Litres	1 555 989	**518 663**	513 815	502 912	856 046	7 742 419
2.8	Paraffin	Litres	3 751 048	**372 884**	343 832	411 389	518 920	570 662
3	**Carbon emissions for above indicators –**		201 615 339					
3.1	Total carbon emissions	Metric tonnes	201 615	**201 615**	200 877	213 866	217 512	216 416
3.2	Carbon emissions per employee	Metric tonnes		**24**	23	25	25	25
4	**General –**							
4.1	Carbon tax paid in F24	Rand		**2 541 122**	2 419 539	2 205 702	2 356 272	Not applicable
4.2	Generator running hours**	Hours		**11 674**	10 898	2 612	1 231	1 504
4.3	Energy generated by solar power***	kWh		**26 102**				

* *The F20 usage numbers for heavy marine fuel and diesel reflect the period prior to the change from heavy marine fuel to diesel in accordance with the International Maritime Organisation requirement for reductions in sulphur emissions from maritime vessels.*

** *Notwithstanding an improvement in the Eskom Energy Availability Factor ("EAF") between May and July 2024, the EAF averaged 55,13% for the period from July 2023 to April 2024, necessitating the continued use of diesel generators at most sites.*

*** *Owing to the increase of solar power installations across the Group, this additional metric has been identified for measurement and reporting from F24.*

In addition to the key areas referred to above, the Company considers, on an ongoing basis, further areas of environmental impact for possible measurement and reporting, as well as new initiatives to mitigate environmental impacts of products and services, where relevant.

Environmental practices

During the year, the subsidiary companies continued their measurement and mitigation of detrimental environmental impacts. Some of the Company's activities and achievements include:

- Environmental management systems – All five of the National Brands' factories have both ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System accreditation and performed well in F24 in retaining certification and showing improvement. The ISO 14001 environmental management system enables the factories to identify and control the environmental impact of their activities; continually improve their environmental performance; and implement a systematic approach to setting environmental objectives and targets, achieving these, and demonstrating that they have been achieved. I&J has the MSC's Chain of Custody Certification for sustainability in the fishing industry and the Aquaculture Stewardship Council Certification for sustainable abalone farming.
- Energy conservation – The energy shortage, and global efforts to reduce greenhouse gas emissions, make conserving energy a priority for the Company. Projects in past years include: improving the efficiencies of production machinery, equipment and processes; installation of energy-efficient, lower power consumption, LED lighting solutions; installation of electricity meters for the measurement of electricity consumption and consumption patterns; Demand Site Management Surveys by Eskom to enable the formulation of improvement plans; electrical load shifting where possible; installation of photovoltaic arrays; louvres to passively control heat gain; energy efficiency improvements of the refrigeration system at I&J Woodstock; an upgrade of the power factor correction to optimise energy demand at the Indigo Brands factory; the use of timers to reduce unnecessary running time of air-conditioning units; motion detection for lights where feasible; and upgrading of the air compressors to include variable speed drive and heat recovery functionality in order to provide warm water for ancillary processes. National Brands, in particular, is formally defining its Energy Strategy, with specific initiatives at each site. Energy audits were done, and action plans to reduce energy usage were formulated and are being executed. Investment took place in F24 to install energy measurement systems to determine real-time usage associated with different processes, inform energy usage reduction plans, monitor power quality, and track progress. The Energy Strategy will also consider best technology for future energy needs and determine opportunities for greener energy where possible.

  Some F24 energy initiatives included:
  - The transitioning of fluorescent lights to LED lights at Indigo Brands continues with LED lights being installed to replace fluorescent lights as the latter fail.

- The upgrade of the server room UPS back-up power at Indigo Brands to an improved industrial back-up power solution, consisting of surge protection, industrial inverters, and lithium-ion batteries.
- The procurement of five energy-efficient, lithium-ion pallet trucks that reduce the reliance on less efficient, lead acid material handling equipment.
- Installation of LED lighting at the Ciro Isando Technical site, with a view to reducing energy consumption by 11 500 kWh per year.
- Replacement of old and inefficient air compressors at the Durban Tea factory with energy efficient units housed in a purpose-built compressor room. Completion was expected during the first half of F24 but issues with the technical specifications required rework to bring the system up to specification. It is now expected that the work will be completed during the first half of F25.
- Installation of a boiler feed water preheat system at the Isando Coffee and Creamer factory, using heat from return condensate, which will reduce coal consumption and emissions.
- Expansion of the photovoltaic energy system at the Bryanston campus in Johannesburg to reduce reliance on municipal and generator power requirements.
- Energy efficiency improvements of the refrigeration systems at I&J Woodstock and Auckland Cold Storage.
- The expansion of LED lighting initiatives to include the Isando, Redhill, and Spitz Isando distribution centres was finalised, with a reduction in energy consumption of 568 MWh for the year, whilst still complying with the prescribed Occupational Health and Safety lux levels.

Plans for F25 include:

- An investigation into the feasibility of a solar photovoltaic system at Indigo Brands to reduce reliance on municipal and generator produced power.
- Replacement of old and inefficient air compressors at the Isando Coffee and Creamer factory with energy efficient units housed in a purpose-built compressor room, which is expected to be completed during F25.
- Various projects at the Coffee and Creamer factory to improve the steam condensate return and thus reduce the use of water and coal.
- Further energy efficiency improvements at I&J's Cape Town Fishing site.
- Transfer of the compressor from Auckland Cold Storage, following the closure of this site, to I&J Woodstock to replace the existing high stage compressor.
- The fitting of compressors at the I&J Value Added Processing site with energy efficient motors and variable speed drives, which should result in improved energy efficiency.
- Replacement of refrigeration piping at the I&J Value Added Processing site, which is also expected to reduce energy requirements.

- Water conservation – Poor water quality and shortages remain significant potential risks to the Company and the subsidiaries take steps to minimise these risks. These steps include using borehole water where appropriate, reservoirs for storing water, recycling condensate produced during the heating processes back to the boilers, recycling production effluent with a view to reclaiming wastewater, installing a desalination processing plant at I&J, and adopting environmentally friendly storm water reticulation, whilst simultaneously taking measures to measure and manage water consumption. A replacement potato chips fryer was installed and commissioned at the Rosslyn Snacks factory during F24. This includes a water reticulation facility to reduce consumption by approximately 10%. With this, and the planned borehole facility in place, the Rosslyn Snacks factory is expected to reduce dependency on the municipal water supply. The Westmead Biscuit factory has introduced new water-efficient spray nozzles in some production areas, which is reducing water usage. A new condensate return pump installed at the Isando Coffee and Creamer factory is now delivering low pressure condensate within the right quality parameters of hardness and dissolved solids back to the boiler. This has resulted in an improvement in the condensate return of more than 30%. Further capital expenditure to improve the recovery of high pressure condensate has been approved and will be implemented in F25.
- Fuel consumption – Within the distribution operations there is ongoing focus on optimisation of delivery routes and distribution networks through utilisation of routing and scheduling software, the deployment of on-board technology, advanced fuel management systems, more efficient engines and matching of loads to vehicles, the conversion of diesel forklift fleets to electric (which reduces both fuel consumption and harmful emissions), as well as driver training academies, which are all key issues in reducing fuel consumption and the Company's carbon footprint. During F24 the distribution centres continued the outsourcing of the finished goods shuttling operation to contracted specialist performance-based standards vehicles. These vehicles have a 16% increase in carrying capacity, which resulted in an approximate annual distance reduction of 51 241 kilometres and 89 tonnes of carbon emissions for the year. I&J has been able to improve the fuel efficiency of its fishing fleet by between 3% and 5% through a number of initiatives, including the modernisation of fishing gear and sensors used, governance of speed when steaming to and from fishing grounds, increased monitoring of fuel usage, and regular engagement with skippers regarding fuel efficiency, which improvements were sustained through F24. Unfortunately, across most sites diesel usage to run back-up generators remained high during significant times of load-shedding.
- Emissions, effluents and waste – The Company is committed to a waste management strategy, reducing the use of raw materials, reducing waste, reusing waste wherever possible, and recycling waste that cannot be eliminated or reused. Key to managing waste is the monitoring and analysis of

waste volumes and component parts to provide the information needed to manage waste effectively. The Company recognises its responsibility in terms of the Air Quality Act, 2004, is committed to efficient and effective air quality management, and ensures that all ovens, boilers, and boiler stacks are correctly operated, well maintained and routinely inspected. In addition, the factories engage with approved inspection authorities and conduct air emission surveys. Some of the material initiatives over the years have been as follows:

– The International Maritime Organisation 2020 legislation required a significant reduction in sulphur emissions from maritime vessels from January 2020. I&J was able to comply with the requirements of the new standards within the timelines allowed by the South African Maritime Safety Authority.
– Effluent plant management has been outsourced to specialists at the Isando and Westmead Biscuit factories, and the Isando Coffee and Creamer factory. The effluent treatment plant at the Rosslyn Snacks factory was previously upgraded in order to provide for future effluent quality compliance if more stringent municipal limits are implemented. At the distribution centres all vehicles are washed using biodegradable chemicals and grease traps are cleaned regularly to prevent contamination of the main sewer system. In general, waste materials are classified for possible reuse, recycling, or disposal, and disposals are done through registered waste disposal and recycling companies.
– I&J routinely recycles metal, corrugated cartons, used sunflower oil, and used marine oil.
– National Brands reduced packaging waste by right-gauging flexible packaging and removing excess packaging. The business also encourages consumers to recycle and makes them aware of the recycling categorisation of the packaging.
– Indigo Brands solicited specialist guidance on optimising the running and maintenance of its dissolved air flotation effluent plant, which included the overhaul of its aeration pump, increased circulation, dilution of effluent to achieve higher levels of homogeny, and the use of additional flocculant to improve chemical oxygen demand levels.
– Indigo Brands further removed excess plastic packaging from its personal care range through a process of design optimisation and adoption of a single packaging format across the Lenthéric and Yardley female roll-on range.
– Indigo Brands adopted a new aluminium alloy grade that allows for the suitable light weighting of aerosol cans without compromising their technical functionality and safety.
– The phasing-out of lead acid batteries and replacement with new generation lithium-ion batteries, which carry no risk of acid spills, corrosion, hazardous gas emissions, or any sort of contamination. In addition, lithium-ion batteries are 30% more energy-efficient than lead acid batteries and virtually maintenance free.
– The majority of Spitz shipments are transported by sea in order to minimise the use of CO_2 intensive air freight.

- Chemicals – Spitz manufacturers are required to adhere to the requirements of REACH (Registration, Evaluation, Authorisation, and Restriction of Chemicals) under the auspices of the European Chemicals Agency regarding the acceptable limits to chemical substances in products. Compliance is monitored and guaranteed by constant testing conducted by accredited, independent inspections and research institutions. Furthermore, manufacturers are constantly working on ways to reduce the use of volatile organic compounds in footwear and apparel, such as by using water-based adhesive systems.
- Waste to landfill – A new waste management service provider was appointed in F21. This supplier created and fostered many alternative waste disposal streams, reducing waste to landfill. Some of the major initiatives implemented throughout the Group include:
  – Conclusion of a micro-sort by Indigo Brands, which highlighted the potential to increase recyclable waste by improved waste segregation and increased staff training. Waste to landfill can be further reduced by considering on-site composting of organic waste, which will be trialled in F25.
  – On-site sorting of boxes and diversion to recycling rather than landfill.
  – Spent coffee ground collection for recycling;
  – Improved waste segregation at sites resulting in less loads being sent to landfill.
  – The final implementation of the project for the use of shredded BOPP (Biaxially Oriented Polypropylene) packaging in brickmaking.
  – Biscuit, biscuit fillings, jams, icings, and syrup being diverted from landfill to animal feed.
  – Enhanced staff training on waste segregation to reduce recyclables being placed in general waste for landfill.
- Raw materials (excluding packaging) –
  – The Company is a member of and has representation on the Board of the South African Rooibos Council, a non-profit organisation whose goal is to protect the Rooibos Industry and to ensure the sustainability of this raw material.
  – All yellow maize procured for the manufacture of liquid glucose is certified as non-genetically modified.
  – Ciro sells a range of Fairtrade and Organic certified products.
  – Palm oil is a vegetable oil from the fruit of oil palm trees and is more solid than liquid at room temperature. This makes it ideal for cooking and it is an ingredient in many foods and beauty products. Palm oil has developed a poor reputation as a raw material owing to slash-and-burn deforestation. A balance needs to be found between the demand for palm oil, the economic benefits of the product, and protecting forests, wildlife, and local communities. Therefore, the use of palm oil from ethical and sustainable sources as certified by bodies such as the Roundtable on Sustainable Palm Oil ("RSPO") is

an integral part of the Company's environmental and sustainability policies and strategy. The RSPO is a not-for-profit association that works with stakeholders across the palm oil supply chain to make sustainable palm oil the norm. Members include plantations, processors and traders, consumer goods manufacturers and retailers, financial institutions, and non-governmental organisations. The RSPO has developed a set of environmental and social criteria which companies must meet in order to produce certified sustainable palm oil. When they are properly applied these criteria help to minimise the negative impact of palm oil cultivation on the environment, wildlife, and communities in palm oil-producing regions. According to the RSPO *"although using other vegetable oils seems like a practical solution, it would actually create similar – if not even larger – environmental and social problems. Therefore, the best solution is to ensure you buy products that contain sustainable palm oil"*. To this end all the palm oil procured by the Company is from RSPO certified suppliers.
  - The replacement of the barcode and date code printing solutions with a new technology that eliminates the need for paper labels and glue was completed.
- Packaging –
  - National Environmental Management: Waste Act, 2008 ("Waste Act") –
    As required by the Act and corresponding regulations, the Company's trading subsidiaries have registered with the DFFE and have joined relevant Producer Responsibility Organisations ("PROs"), through which they will report on paper and packaging usage and pay the required levies, which will be used to improve collection and recycling rates of packaging material put into the market. The PROs in turn report to the DFFE. They also have the responsibility of managing the various Extended Producer Responsibility ("EPR") measures required to be implemented.
    EPR requires manufacturers, users, and importers of affected products ("producers") to bear a degree of responsibility for these products and ensure that the products are either recycled or upcycled, and that waste products diverted to landfill are kept to a minimum. The Company has also played a leading role in ensuring that the various participants in the packaging value chain are making a tangible contribution to environmental sustainability, whilst minimising the financial hardship to the end-consumer in an already challenging economic environment. To this end, the Company has engaged extensively, and continues to do so, with the DFFE, the Consumer Goods Council of South Africa, various PROs, various environmental NPOs, recyclers of packaging waste, waste management companies, and raw material suppliers, such as the paper mills.
    Since the inception of the regulations and establishment of the PROs, the PROs have been instrumental in driving sustainable practices and environmental responsibility within the packaging industry. Organisations such as Fibre Circle, Polyco, and Metpac have implemented various initiatives to promote recycling and reduce the environmental impact of packaging materials. These include awareness campaigns, collaborations with stakeholders, research, and development to explore innovative recycling technologies and processes, setting up of collection and recycling infrastructure, education and training, and consumer incentive programmes. The Group companies ensure that they comply with relevant legislation through registration with appropriate PROs and submission of material usage declarations to enable the calculation and payment of EPR levies. For the period to the end of June 2024, based on declared volumes, the levies amount to R162 790,00. The reduction in this amount from R2,5 million in F23 was the result of a change in declared volumes owing to Polyco having indicated that it would recover the levies directly from the packaging suppliers. As of the date of writing of this report, Polyco have informed the Company that these amounts are still outstanding and the Company has budgeted an additional amount of approximately R2,0 million that may need to be paid to Polyco.
  - In June 2023, the Department of Forestry, Fisheries, and the Environment published the Packaging Guideline: Recyclability by Design for Packaging and Paper in South Africa, under section 6(1)(a) of the National Environmental Management Waste Act, 2008. The Packaging Guideline covers four categories of packaging material streams, namely metals, glass, paper, and plastics and is intended to reduce the volume of packaging going to landfill sites by improving product design, increasing quality of production practices, and promoting waste prevention. One of the key objectives of the Packaging Guideline is to assist designers in all forms of packaging to gain a better understanding of the environmental implications of their design decisions, thus promoting good environmental practices without restricting choice. The Group's marketing and procurement teams will use the Packaging Guideline to provide guidance and direction on how to make responsible and sustainable packaging choices.
  - The Sustainable Forestry Initiative ("SFI") and the Forestry Stewardship Council ("FSC") are the two most recognisable and legitimate certifications in paper packaging, with FSC being the most demanding. Both the SFI and FSC certify forest management programmes according to their set principles and criteria, including sustainable harvest levels, conservation of biodiversity and old growth, protection of endangered species, protection of water quality, recognition of the rights of indigenous people, prompt reforestation, forest conversion, plantations, clear-cutting, chemical use, and genetically modified trees. The Company has implemented required FSC certification on all paper packaging. FSC has three product labels, namely FSC 100%, FSC Recycled, and FSC Mix. FSC 100% is wood that comes entirely from FSC-certified, well-

managed forests; FSC Recycled is wood or paper that comes from reclaimed or reused material; and FSC Mix is wood that is from FSC-certified forests, recycled wood, or controlled wood. Whilst not FSC-certified, controlled wood cannot be: (a) illegally harvested; (b) harvested in violation of traditional and civil rights; (c) harvested in forests where high conservation values are threatened; (d) harvested in forests being converted to plantations or non-forest use; or (e) harvested in forests where genetically modified trees are planted. As reflected in the table below, 100% of the Company's paperboard spend is with FSC-certified suppliers. In addition, all paperboard materials can be recycled multiple times.

– "Design 4 Recyclability" is a packaging development enabler to drive greater levels of both circular economy supportive solutions and as a continuing effort to reduce existing problematic materials. Following the successful development of components with locally available post-consumer recycled polypropylene, Indigo Brands continues increasing its usage across black aerosol and roll-on caps. The drive to support greater levels of circular economy continues with on-going development in alternative colours, as well as other potential formats to enable possible future adoption.
– During F24 the Company measured its use of various categories of packaging materials. Paper and board products were categorised according to the FSC categories. Plastics were categorised as follows:
  - Recyclable: plastics that are currently recyclable, e.g., single-layer films and most clear, unprinted films;
  - Potentially recyclable: plastics such as multi-material laminates that require specialised facilities/infrastructure and supply chains for recycling;
  - Compostable: plastics that need to be managed separately in the waste stream, e.g., biopolymers, and corn-starch-based plastics; and
  - Non-recyclable: all other non-sustainable plastics such as PVC and polystyrene.
– The following tables reflect the annual tonnages of cartons, corrugates and plastics used by the Company in the categories described above, and the percentage of these materials against the total of such materials used:

Table 1: Paper packaging

Category	Cartons		Corrugates		Filter paper		Total F24		Total F23	
	Annual tonnage	% of annual	Annual tonnage	% of annual	Annual tonnage	% of annual	Annual tonnage	% of annual	Annual tonnage	% of annual
FSC 100%	4 148	46	–	–	–	–	4 148	19	3 536	17
FSC mix/recycled	4 928	54	12 212	100	809	100	17 949	81	17 737	83
Non-FSC/non-compliant	–	–	–	–	–	–	–	–	5	–
Total	**9 076**		**12 212**		**809**		**22 097**		**21 278**	
% of total tonnage of all paper packaging	41		55		4		100			

Table 2: Plastics packaging

Category	Material component							
	Contains recycled material		Contains zero recycled material		Total F24*		Total F23	
	Annual tonnage	% of annual	Annual tonnage	% of annual	Annual tonnage	% of annual	Annual tonnage	% of annual
Recyclable	271	88	1 363	27	1 634	30	1 711	25
Potentially recyclable	36	12	3 714	73	3 750	70	5 099	75
Compostable/bio-degradable	–	–	–	–	–	–	–	–
Non-recyclable	–	–	6	–	6	–	–	–
Total	**307**		**5 083**		**5 390**		**6 810**	
% of total tonnage all plastics	6		94		100			

* *The reduction in plastics packaging results from a reduction in production volumes across certain product ranges, as well as a reduction of approximately 110 tons achieved through value engineering projects.*

– The use of non-FSC fibres in paper packaging was eliminated entirely in F24, in line with the goal to be 100% based on FSC or similarly approved fibre.
– There has been continued progress in the light-weighting of plastic packaging in both rigid and film packaging which means that less packaging is put into the market for the same amount of product.

- – The Company continues to explore sustainable alternatives to conventional plastics while balancing the risks of additional costs to the consumer and supply availability due to the small number of sustainable sources available globally.
- Footwear and Clothing – Footwear and clothing sustainability has become an area of increasing importance for the Company. This requires a comprehensive review of all processes, including design, development, manufacturing, distribution, and selling, with a view to identifying and managing relevant areas to minimise negative environmental impacts, conserve energy and natural resources, and ensure the safety of persons involved in these processes, the communities in which they live and work, and consumers, whilst at the same time ensuring that such practices are economically sound. All footwear and clothing manufacturers are required to monitor their environmental indicators and to report on these to Spitz.

  In an effort to combat "fast fashion" and its impact on the environment (including products to landfill and the carbon footprint of footwear and clothing manufacturing and logistics) Spitz is committed to:
- creating and selling high quality products using quality materials with quality construction. These products last longer and reduce the amount of clothing waste that ends up in landfills.
- designing products to be timeless rather than just catering to current trends.
- designing products with its consumers in mind thus hopefully reducing the risk of unwanted goods.
- producing quantities against carefully calculated projections to avoid overproduction.
- packing all products into recyclable and reusable paper and board.
- repacking items that may be received from suppliers in plastic polybags into recycled and reusable paper and board before being sent to the stores, with responsible recycling of such plastic materials by an authorised waste recycling service provider.

There is a proliferation of factories in Italy, which have been identified as having unethical practices, including worker exploitation. Various luxury brands have been named by the Italian Courts for having "culpably failed" to oversee their suppliers. Spitz is scrupulous in ensuring that all of its Italian suppliers comply strictly to the regulatory requirements for the "Made in Italy" claim and, where the "cut and stitch" process is allowed to be executed outside of Italy, it uses suppliers in Tunisia and Romania. Italian national and regional government inspectors regularly check compliance, and the Spitz Florence office engages with the factories on a daily basis.

The tannery in Italy from which Spitz's footwear manufacturers derive their leather, carries the prestigious Leather Working Group ("LWG") silver certification, whilst the tannery in Asia carries the LWG gold certification as proof of their commitment to good manufacturing and the environment.

The LWG audit standard assesses the impact of leather production and, as an organisation, the LWG aims to have a positive impact on the environment and communities, through driving:
- Increased supply chain traceability and transparency
- Increased knowledge and access to data
- Improved resource efficiency in leather production
- Reduced waste generation and emissions to the environment
- Improved chemical management and increased use of non-hazardous chemicals
- Increased deforestation and animal welfare due diligence
- Improved working conditions and fair treatment of workers

All of the textile manufacturers in turn hold one or more of the following certifications: the Global Organic Textile Standard, the Organic Content Standard, the Global Recycled Standard, the Recycled Claim Standards ("RCS"), the European Flax Certification, and the Better Cotton Initiative.

The packaging manufacturers in South Africa all hold one or more of the following certifications: FSC Chain of Custody, RCS, ISO 9001 and ISO 14001, and Fibre Circle. The shoe box manufacturer in China is in the process of acquiring required certifications.

Spitz measures the environmental impact areas set out in the table earlier in this report and has registered with the Fibre Circle Producer Responsibility Organisation in accordance with the Waste Act.

Supply chain

The AVI supplier code is communicated to all Group suppliers and service providers and incorporated into all legal agreements. The supplier code imposes on suppliers and service providers an obligation to:
- Comply with all applicable laws relating to the environment in respect of their own operations, including but not limited to –
  - – taking positive action to eliminate and/or minimize environmental pollution;
  - – complying with waste reduction and recycling legislation;
  - – obtaining and maintaining all required environmental permits;
  - – identifying all chemicals and other hazardous materials and managing them to ensure safe handling, movement, storage, recycling, reuse, or disposal thereof;
  - – monitoring, controlling, treating, and either eliminating or minimizing wastewater, solid waste, and air emissions; and
  - – complying with all product content legislation.
- Assess, monitor and either eliminate or minimize the impacts that their businesses have on local communities and strive to have a positive impact on such communities.

The supplier code also specifically requires compliance with all applicable labour and employment laws, or relevant international standards and/or conventions, relating to, inter alia, freedom of association and collective bargaining, compensation and working hours, prohibition of child labour, and prohibition of forced and compulsory labour.

The procurement teams of the subsidiaries are responsible for assessing and monitoring the performance of suppliers against their obligations in terms of the supplier code as well as any substantive supply agreements in place.

Insofar as operational obligations are concerned, suppliers are monitored based on On-Time, In-Full deliveries, and Quality service levels. Commercial discussions are held on an on-going basis and specifically when pricing is renegotiated or requests for proposals are issued. Quality performance is monitored through non-conformance reporting on either incoming checks or in-process problem identification. Suppliers with repeat quality non-conformances are audited, regardless of whether they have recognised certifications or not. National Brands and I&J pay particular attention to the food safety practices of their suppliers. They are all required to have a valid Global Food Safety Initiative certification. Suppliers without certifications and suppliers with SABS certification (which is no longer accepted by the businesses) are independently audited. If suppliers have unfavourable findings, they are audited annually and are required to close out all findings within 2 weeks of the audit and provide a corrective action plan. Quality assurance programmes are also in place to audit supplier performance based on paper supplier quality audits and physical site audits.

The businesses monitor social compliance either through initiatives such as the Amfori Business Social Compliance Initiative ("BSCI") social compliance questionnaire that aims to monitor and assess workplace standards across the global supply chain, or a vigorous on-boarding process. The BSCI code of behaviour addresses compliance with practices that represent a commitment to ethical and responsible conduct including, not only, product-related practices but also social responsibility, environmental sustainability, employment practices, and fair competition.

Spitz's suppliers in the European Union are not only subject to quality assurance audits but also to external audits by organisations such as Sedex Members Ethical Trade Audit ("SMETA"), which audits encompass labour standards, health and safety, environment, and business ethics. For those products and/or components manufactured or supplied outside the European Union, Spitz closely monitors industry compliance. Factory production in China and other Asian countries plays a major role in the global footwear industry and it is a priority for Spitz to remain informed on potential trade and sustainability issues (including social and environmental issues) in these countries, and to assess the risks of doing business with these suppliers while also meeting stakeholder expectations.

On-going verifications are also done in respect of matters such as membership of relevant PROs, payment of EPR fees, and relevant certifications. The businesses also engage with suppliers through various industry bodies.

Suppliers who are non-compliant with, or at risk of being non-compliant with, the supplier code or required standards or certifications, are required to take remedial steps without delay. Failure to do so can result in termination of supply agreements.

Contraventions

In July 2024 I&J received effluent non-conformance notices for both the Value Added Processing and Woodstock sites relating to samples taken which were out of tolerances. Management responded with agreed corrective actions, including the replacement of a faulty chemical closing unit and increased frequency of chemical closing from 4-hourly to hourly. No fines were issued.

Indigo Brands received two effluent non-compliance notices. The aeration pump was overhauled and effluent circulation practices reviewed to improve homogeneity. This, coupled with the use of additional flocculant improved chemical oxygen demand levels to within an acceptable range.

Other than the notices and fines referred to above, no other fines or non-monetary sanctions for infringement of or non-compliance with environmental laws and regulations were recorded and/or levied against the Company, directors, officers, or employees during the period under review and the Company experienced no major environmental incidents. No formal requests or directives have been issued by government agencies or local authorities for the reduction of air emissions.

Consumer and product responsibility

- When considering consumer interests, the Company has reference to the OECD Guidelines, which provide that *"(w)hen dealing with consumers, enterprises should act in accordance with fair business, marketing, and advertising practices and should take all reasonable steps to ensure the quality and reliability of the goods and services that they provide"*. The Company also considers the social impact of its products.
- As reported in detail below (under the section on manufacturing certifications and accreditations on page 69 of this report), the Company's manufacturing and fishing divisions all maintain relevant health, safety, and quality certifications and accreditations.
- The Company's central marketing and legal functions ensure that there is adherence to laws, standards, and relevant voluntary codes relating to marketing and communications, including advertising, promotions, competitions, and sponsorships. All applicable labelling legislation is regularly reviewed and, where appropriate, changes to Company packaging are made. The research and development and regulatory managers in the subsidiary companies are responsible for ensuring applicable compliance.

- All products manufactured by the Company:
  - comply with all legally required manufacturing and safety standards;
  - comply with and meet all legally required standards for product testing and research;
  - comply with and meet all legally required standards for consumer health and safety, including those pertaining to nutritional information, health warnings, and safety information which enable consumers to make informed product decisions;
  - contain instructions for storage and use;
  - contain information on product traceability, which enables the Company to trace all manufacturing processes from procurement of raw materials to production, consumption, and disposal to clarify when and where the product was produced; and
  - meet all legally required standards for advertising, including the agreed voluntary code of advertising practice published by the Advertising Regulatory Board ("ARB"). In particular AVI commits to using marketing and advertising that respects and supports children's rights.

- The Company:
  - does not make product representations or omissions, or engage in any other practices, which are deceptive, misleading, fraudulent, or unfair, and co-operates with all relevant authorities (including the Department of Health, the Department of Agriculture, and the ARB) in the prevention and combating of deceptive marketing practices;
  - is a member of the Consumer Goods Council of South Africa ("CGCSA") and the Consumer Goods and Services Ombud ("CGSO") division and subscribes to the Consumer Goods and Services Industry Code of Conduct. The CGSO mediates and resolves complaints lodged by consumers against businesses operating in the consumer goods and services sector. Consumers are required to first try and resolve the complaint with the business. If they are unsuccessful then the CGSO will assess the matter and, where appropriate, mediate with the business on behalf of the consumer with the aim of reaching an equitable outcome that is fair to all parties;
  - has internal consumer complaints-handling processes that enable consumers to raise their concerns and complaints with the businesses with a view to resolving them in an equitable manner. The consumer complaints-handling processes include dedicated consumer complaints call centres, which can be accessed telephonically or by e-mail, and which are resourced by well-trained consumer care consultants. Complaints are escalated, where necessary, to senior executives tasked with assessing and resolving such complaints. Contact details for consumer complaints are provided on all product packaging;
  - complies with the provisions of the Consumer Protection Act, 68 of 2008;
  - engages on consumer education initiatives through the CGCSA; and
  - complies with the provisions of the Protection of Personal Information Act, 4 of 2013, in protecting the security of personal consumer data.
- The Company's internal legal advisers and regulatory departments keep the Company abreast of generic and industry specific consumer and product related legislative and regulatory developments, both pending and apparent, and ensure that management and employees are informed and, where necessary, trained on these developments and the implementation thereof.
- The Company recognises the social responsibility attached to its products and recognises that health- and nutrition-related problems may result from people's diets. The Company recognises its responsibility in this context and is committed to contributing to the reduction of health- and nutrition-related problems by active research and development on its food products, with a view to targeting meaningful and achievable quantitative targets for the sugar, calorie, salt, and additive content of its products. The Company is fully compliant with all current legislative requirements pertaining to these content levels.
- There were no reported incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products within the reporting period, and the Company has not identified any such non-compliances.
- The Company works closely with relevant industry and government bodies, such as the Consumer Goods Council, Business Unity South Africa, the ARB, the Department of Health, the Department of Trade and Industry, the National Regulator for Compulsory Specifications, the DFFE, the Aerosol Manufacturers' Association, and the Cosmetic Toiletry and Fragrance Association, to contribute to the development of sensible and sustainable consumer legislation and regulations.
- Where relevant to the Company's business, the Group reviews draft legislation and provides input either directly to the relevant government department or to the Consumer Goods Council of South Africa, which consolidates industry feedback and responds to the relevant government department.
- All suppliers and service providers to the Company are obliged, in terms of the supplier code, to deliver products and provide services that meet safety and quality standards required by applicable laws and the Company's quality standards. All suppliers supplying goods to the Company must be capable of disclosing, on request by the Company, all sources of primary origin associated with such goods.
- The Company remains a member of a number of industry associations as set out in more detail in the stakeholder engagement table.
- No judgments, damages, penalties, or fines for infringement of or non-compliance with consumer or product related legislation were recorded and/or levied against the Company, directors, officers or employees during the period under review.

Major risks

The Company and its subsidiaries have well run governance processes and sound systems of internal control which are effective in managing the conventional key areas of business risk such as brand management, manufacturing, financial management, and information technology, including cyber security risks. Other risks that are often more challenging to manage, and pose a greater threat to business success, are summarised below and on the following pages:

Key risks and impact	Comments
Failure to stay in touch with and react quickly to changing consumer perspectives and needs • Lost growth opportunities or erosion of market share • Pressure on margins in constrained categories • Under or over-spend of marketing money without an economic imperative could lead to unsustainable or diminishing brand equity	• Product formats and price points are managed flexibly in different parts of the consumer cycle, in line with consumer needs • Each business unit gives priority to understanding the risks and opportunities that South Africa's growing Black, Indian and Coloured ("Black") consumer base presents, and responding in a manner appropriate to each category • Consumer trends in more developed markets are studied for relevance to local markets • The characteristics of our African export geographies are studied carefully so that we can enhance the relevance of our offering in each geography • New product development is aligned with the points above and actively pursued • Brand investment is material and consistent, with ongoing efforts to improve the efficiency and effectiveness of this spend
Availability of experienced and commercially minded business leaders to seek improvement and grow profits • This is an ongoing challenge, particularly given the diversity of AVI's operations. Considerable resources are expended in identifying people and, where appropriate, attracting them • The difficulty in recruiting scarce skills creates, inter alia, poor management depth and limited succession planning with a risk of reduced business credibility and business effectiveness • Inadequate progress on transformation would make it difficult to attract top equity candidates and reduce credibility with stakeholders and business partners	• The Company has a flexible operating model which provides high transparency to the centre and facilitates effective interaction on key matters when needed • Remuneration and reward systems provide meaningful wealth generation opportunities for managers who excel but a low level of value in share option schemes in periods of low share price growth means a risk of loss of senior employees to more attractive opportunities, lower morale for senior employees in general, and an environment in which it is harder to attract the best people • Various formal and informal internal learning and development initiatives are provided as developing in-house talent is becoming increasingly more important
A changing competitive landscape that negatively impacts profitability • The growth of house brands, often based on imported product, means increased price competition, difficulty in getting fair representation on shelf, pressure to manufacture house brands, and changes in consumer perceptions of house brands, which could lead to increased support and investment in capacity for those brands • There is the risk that additional capacity is created which generates surplus supply and inhibits the ability to generate economic returns on investment	• The Company's best protection in a changing competitive landscape is to continually work to keep our brands and products relevant to consumers, to improve efficiency so that margins can be sustained when prices are constrained, and to be diligent in managing the price / volume / margin equation flexibly as circumstances require • A volatile currency with the risk of rapid and material weakening has traditionally been an effective protection against import competition • A fairly small domestic market reduces the attractiveness of major green fields investment in South Africa • New suppliers or customers entering the South African FMCG market can present both risks and opportunities. We believe that the Company has sufficient scale and relevance with its strong brand portfolio to be important to new entrants, and to be able to forge mutually beneficial trading relationships

Key risks and impact	Comments
Reliance on third-party brands and diminished profitability if licenses are not renewed	• Most of the Company's core brands are owned • Key third party brands that the Company has access to are the Lacoste and Gant brands in the footwear and apparel business and the Lavazza brand in Entyce Beverages. Whilst we have a long history of strong and successful relationships with all of these parties and believe that our business units represent compelling opportunities to each licensor that will be difficult for other licensees to match, there is always a risk of disproportionate dependence on third-party brands and under-investment in owned brands
Inability to sustain and grow profit margins • In a volume constrained environment this will lead to decline in profit and return on capital employed • Following a period of material escalations a softening in some commodity prices has been seen but cost pressures persist and selling prices remain high, negatively impacting volumes. The ability to keep subsidising margins through cost management and improved efficiency, diminishes over time	• Top line growth is a continual focus area for all of our businesses and brings with it the opportunity to leverage fixed costs and expand profit margins • Many of the Company's Key Value Items ("KVI's") enjoy a brand premium because of their long legacy of delivery and quality. We seek to preserve this premium through retention of product intrinsics and high focus on product quality • A failure to invest in manufacturing capacity and/or technology at the correct time may create a risk of market share erosion from both local sources and imports, and major capacity investment remains imperative • The Company has extensive exposure to foreign exchange and commodity price volatility. These exposures are hedged in a manner that allows selling prices to be managed predictably and responsibly and historically our businesses with their strong brands have demonstrated the ability to recover lost profit margin fairly quickly after periods of pressure. The notable exception being I&J, which has little ability to compensate for the impact of a strong Rand on its material export revenues, but similarly also benefits materially when the Rand is weaker • Significant cost inflation, most notably due to fuel prices, with an inability to fully recover through price inflation. At I&J this is coupled with a reduction in catch rates which materially impacts on the cost per kilogram of fish caught • Over-reliance on the strength of core brands could lead to the retardation of key disciplines • A failure to recognise the importance of product attributes in current or innovated products leading to a reliance on brand equity and/or marketing investment

Key risks and impact	Comments
Deteriorating social, political and operating environment • Diminished capability of government departments (including policing) and state-owned entities, including the deterioration of public infrastructure (roads, railways, ports, etc.), impacts their delivery with concomitant impact on businesses • Ongoing increases in administered charges for electricity, water, and property rates create additional cost pressure and reduce competitiveness relative to imports • Increasingly inflexible labour legislation, including in particular the changes effected to the Labour Relations Act, 1995 ("LRA") early in 2015, the interpretation of this legislation by the Courts in favour of permanent employment, and increasing demands and industrial action by labour unions, reduce competitiveness against imports, increase investment hurdles and create a growing disparity in wage costs between formal (unionised) and informal sectors • The imposition of price controls pursuant to a populist political and social agenda could impact on parts of the Company's product portfolio • Dissatisfaction with service delivery by government and municipalities could lead to civil disruption and strikes with a material adverse effect on volumes and profit • The continued decline of educational standards erodes the supply of essential skills to maintain our medium-term competitiveness • The emergence of new and ambitious social programmes that place too heavy a burden on organised business and taxpayers, to the extent that the availability of capital reduces in South Africa, and over time that compromises our ability to sustain our current asset base and competitiveness • Compliance with increasing consumer facing legislation such as that in respect of labelling, advertising, genetically modified organisms ("GMOs"), salt, and sugar, and the increased focus on providing "healthy" alternatives to existing products, requiring increased work and placing pressure on research and development • The outsourcing of government functions to private entities which results in the creation of additional layers of administration and costs to business, for example the appointment of external assignees in terms of the Agricultural Products Act • Deterioration of public infrastructure (including roads, railways, and ports)	• Although the Fishing Rights Allocation Process has now been finalised, including the adjudication of appeals in October 2023, there are still two outstanding legal review applications from dissatisfied rights holders that need to be heard by the Court • Delays and the constant need for appeals in the Fishing Rights Application Process prolong uncertainty and delay long term investment decisions • In a two-tiered economy the Company increasingly competes against smaller operators that are not measured or monitored against increasingly onerous legislated requirements, where there is an increasing new entrant risk due to low barriers to entry technology and high margins • Availability of utilities, such as power and water, necessary to run business can be mitigated at extra cost but reduce competitiveness. The declining quality of municipal water in many areas forces increased dependence on borehole water (where available) or the installation of water filtering and purification plants, all at an extra cost to the businesses • There is increasing financial demand on the private sector to fund the government's budget deficit and over reliance on the private sector to address social issues • Regulators such as the Competition Commission and the Department of Trade and Industry increasingly see their role as maintaining jobs without regard for the underlying economic merit of their decisions and proposals, such as through increasingly restrictive merger control to deal with employment, broad-based ownership, supplier development and localisation, investment, and downstream beneficiation, market enquiries, and changes to the Competition Act to include specific provisions to enable historically disadvantaged persons, and small and medium-sized businesses to participate effectively in the economy • Changes to the Broad Based Black Economic Empowerment Codes of Good Practice with, inter alia, substantially increased financial requirements for meeting minimum compliance levels, have negatively impacted scorecard ratings and made achieving the historical rating levels difficult

Key risks and impact	Comments
Environmental • The impact of climate change on natural resources through changing weather patterns and increased global temperatures could affect natural and agricultural resources on which the Company is dependent • Government commitments to emission-reduction targets and associated regulatory costs could have a significant impact on the operating and distribution practices of the Company	• The Group's activities generally have low environmental impact, and compliance with legislation is good • Carbon tax is currently relatively low, and work in progress to reduce coal consumption should offset future tax rate increases • I&J's fishing and aquaculture activities are well regulated and there is also compliance with a number of industry-adopted practices that support sustainable fishing of the hake resource • The Group continues to evaluate opportunities to invest in alternative power and water sources

Going forward

The Company will continue reporting on sustainability issues in a way that focuses on material issues and provides a balanced view of the economic, social, and environmental aspects of the Company to stakeholders. In particular, the Company:

- Has noted efforts to unify reporting requirements, in particular the White Paper published by the World Economic Forum in September 2020 and titled "Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation", which seeks to "*develop a core set of common metrics and disclosures on non-financial factors*". The report sets out a core and expanded set of "Stakeholder Capitalism Metrics", which can be used by companies to align their reporting on environmental, social, and governance indicators ("ESG"). The Company will consider the metrics and disclosures with a view to continual improvement of its own reporting and the setting of relevant objectives and targets.
- Will continue focusing on ESG factors that are directly relevant to the Company's business.
- Will, where appropriate, expand its reporting in response to shareholder requests. In this regard, we have reviewed the recommendations of the Task Force on Climate-related Financial Disclosures and included a summary below of risks, opportunities and financial impacts following the framework provided.

Climate-related risks, opportunities and financial impacts

1. Climate-related risks:	
a. Transition risks:	
i. Policy and legal risks:	• AVI complies fully with the recent carbon tax legislation and expects to be able to maintain compliance with all existing legislation that relates to consumption of different energy sources as well as emissions, effluent, and waste disposal • The Group has not experienced disruption from its suppliers due to the impact of policy and legislation changes on their businesses, and the majority of our purchase spend is with suppliers who have a strong commercial imperative to meet the climate change credentials required by their customers • Wholesaling and retailing AVI's products to consumers is a low impact activity, nevertheless many of our customers have implemented meaningful programmes that support increases in alternative energy consumption and improved waste recycling • We anticipate that policy changes will continue to support increased use of alternative energy in South Africa, providing further opportunities for the Group to evaluate
ii. Technology risks:	• Typically, the Group is in a position to adopt well-established alternative technologies with low operational and cost risk. To date, the majority of changes made in our own supply chain have been accomplished within normal replacement cycles or with the prospect of reasonable return on investment
iii. Market risk:	• AVI is committed to meeting consumer expectations of how brand owners should respond to climate change • The Group is not a direct participant in the climate change industry of goods and services, or adjacent industries that are likely to be impacted
iv. Reputation risk:	• The Group has a good compliance history and continues to make progress in responding to the impacts of climate change, particularly with regard to energy efficiency and emissions
b. Physical risks:	
i. Acute risk:	• The Group consumes a wide basket of commodities and has always been exposed to events that impact the supply and demand of these items. More frequent and severe climate driven events have the potential to increase physical supply risk and price volatility
ii. Chronic risk:	• Longer-term shifts in climate patterns may impact supply of key commodities and consumer behaviour in time. These risks will be monitored together with other key business risks, and responded to as appropriate

2. Climate-related opportunities:		
	a. Resource efficiency:	• The Group has a continuous improvement approach to energy efficiency. For example, many of our sites have been converted to low energy lighting solutions; as a matter of course electrical drives are converted from fixed speed to variable speed when they are replaced, and fuel consumption of our vehicle and fishing fleets is managed against demanding benchmarks
	b. Energy source:	• Following an initial project to install solar power at the Isando distribution centre, as well as the Illovo and Bryanston offices, a Group-wide evaluation of other suitable sites is in progress. Some of the manufacturing sites still utilise coal fired boilers and we are evaluating conversion from coal to gas, which will significantly reduce carbon emissions
	c. Products and services:	• Given the relatively low impact of the Group's activities, consumers have not expressed climate change concerns related to our products
	d. Markets:	• The Group is not a direct participant in the climate change industry of goods and services, or adjacent industries that are likely to be impacted
	e. Resilience, being the capacity to respond and manage the risks and opportunities relating to climate change:	• The Group's activities relating to climate change will develop and mature to keep pace with the environment in which we operate. This will include changes in legislative and reporting requirements, as well as consumer preferences
3. Financial impacts:		
	a. The direct costs of meeting legislative changes are likely to be material over time. AVI's annual carbon tax is approximately R2,5 million per year at current rates	
	b. Capital investment costs have not been onerous and will be managed in a balanced way, so that required spend is married to return on investment as far as possible	
	c. Cost pressures from emissions taxes and changing legislation requirements within our own, and our suppliers' supply chains, will be ameliorated by cost savings from lower energy consumption as well as other efficiency improvements	
	d. Increasing physical and price risk of key commodities may lead to additional investment in working capital over time	
	e. AVI will continue to protect the long-term profitability of its categories and so far, the consequences of changing legislation have been successfully managed within our overall cost basket	
	f. Additional compliance requirements and operating costs add pressure to an already constrained consumer environment, and it is hoped that government will respond to this reality by adopting reasonable timelines and providing effective subsidies for future changes that are required	

Transformation

The Company recognises the moral, social and economic imperatives to embrace and support transformation in South Africa and to be a valuable participant in the South African economy and society. A transformed company in the South African context is not only one that has a workforce that is representative of the country's racial and gender demographics and that operates with a bias towards broad-based empowerment opportunities, but one that also embraces diversity.

The Company continues to focus on transformation and remains intent on providing a workplace that encourages diversity. Transformation is considered in the context of Broad-based Black Economic Empowerment ("BBBEE") and is measured annually by an external verification agency against the generic BBBEE scorecard. A central senior manager actively coordinates the Company's efforts and ensures that the subsidiaries are well educated on the various facets of transformation. The subsidiaries' progress is monitored, and they are centrally assisted in their implementation of targets and other initiatives. During the year under review significant time and funds were invested in advancing the transformation plans that had been developed in previous years. The progress of these plans was reviewed at half year and appropriate and revised activities were agreed upon, where necessary.

From F10 to F14, on the original BBBEE Codes of Good Practice, AVI improved its rating from a level 6 contributor (at 53,78%) to a level 4 contributor (at 70,25%). Since 2015 the verifications have been done against the amended Codes and for the first three years the Company consistently achieved a level 7 rating, discounted to level 8. In F18 the Company improved its score and achieved a level 6 rating (78,22 points), which was then discounted to level 7 for failing to achieve the required 40% threshold on supplier development. F19 saw further improvement to a level 5 rating, with no discounting owing to the minimum thresholds for equity ownership, skills development, preferential procurement, supplier development, and enterprise development having been achieved. The consolidated score achieved for F20 was level 6 (at 71,48 points) with no discounting. The main element that contributed to the change from level 5 in 2019 to level 6 in 2020 was Skills Development. This was for two reasons, firstly the inability of the Company to continue with and complete its skills programmes during the COVID-19 lockdown, and secondly a change in the interpretation of the provision relating to the absorption of unemployed learners at the end of their skills programmes. No dispensation was given by the Department of Trade and Industry to take account of the impact of COVID-19. Since F21 the Company has consistently achieved a score of level 5 and met the 40% threshold on all three priority elements, namely ownership, skills development, and enterprise and supplier development.

BBBEE scorecard

A comparison of the scorecard elements for the last five years is set out below:

Element	2024 %	2023 %	2022 %	2021 %	2020 %
Ownership	**72,96**	71,98	67,88	64,22	54,99
Management Control	**39,10**	42,56	41,25	40,10	32,67
Skills Development (including Bonus Points)	**69,02**	62,25	66,73	60,13	68,04
Enterprise and Supplier Development (including Bonus Points)	**83,68**	82,30	85,56	87,87	78,38
Socio-Economic Development	**100**	100	100	100	100

EMPOWERLOGIC

Broad Based Black Economic Empowerment Verification Certificate

A Consolidated Verification Certificate Issued to

AVI Limited and Subsidiaries

Level 5 Contributor

Measured Entity

Company Name	AVI Limited and Subsidiaries
Registration Number	1994/017201/06
VAT Number	Refer to second page
Address	2 Harries Road Illovo, Johannesburg 2196

B-BBEE Status

B-BBEE Status Level	Level 5
Total Points Obtained	79.71 — EO: 18.24 points; MC: 7.43 points; SD: 13.82 points; ESD: 35.23 points; SED: 5 points

Discounting Principle Applied	No	**Procurement Recognition**	80.00%	**Empowering Supplier**	Yes
Black Ownership	17.14%	**Black Designated Groups**	1.02%	**51% Black Owned**	No
Black Women Ownership	9.33%	Black Youth	1.02%	**30% Black Women Owned**	No
Black New Entrants	1.34%	Black Disabled	0.00%	**Participated in Y.E.S Initiative**	No
Normal Flow Through Applied	Yes	Black Unemployed	0.00%	Achieve Y.E.S Target and 2.5% Absorption	No
Modified Flow Through Applied	No	Black People Living in Rural Areas	0.00%	Achieve 1.5 x Y.E.S Target and 5% Absorption	No
Mandated Investment Exclusion Applied	No	Black Military Veterans	0.00%	Achieve Double x Y.E.S Target and 5% Absorption	No
				Measurement Period Year End	30/06/2024

Issue Date	19/08/2024
Expiry Date	18/08/2025
Certificate Number	ELC13124RGENBB
Version	Final
Applicable Scorecard	Amended Codes - Generic
Applicable BBBEE Codes	Amended Generic Codes Gazetted on 11 October 2013 and Amendments Gazetted on 31 May 2019

EL

EmpowerLogic (Pty) Ltd
Reg. No. : 1995/000523/07
BBBEE Rating Agency

Per Gianna Le Roux
Member - Verification Committee

SANAS Accredited sanas B-BBEE Rating Agency
BVA018

This certificate is the result of an independent and impartial verification of the BBBEE status of the measured entity measured against the Codes of Good Practice on Broad Based Black Economic Empowerment and has been issued in accordance with the EmpowerLogic Verification Certificate Policy. This certificate supersedes any previous certificates issued to the Measured entity. For enquiries please contact EmpowerLogic at 086 111 4003.

Ownership

The Company achieved an ownership score of 72,96% and met the 40% threshold for net value (one of the sub-elements of equity ownership). The Company also still benefits from continuing recognition of the Company's Black Staff Empowerment Share Scheme ("the Scheme"), which was launched during January 2007. The Scheme terminated in December 2018 but over the life of the Scheme, 18 301 participants benefitted from growth in the AVI share price and received a total gross benefit of R841 million, including 1 598 participants who left the Company's employ in a manner that classified them as "good leavers", which good leavers received a total gross benefit of R106,7 million.

At a subsidiary level, the Company remains committed to ensuring that a direct economic benefit flows to I&J employees. The I&J Black Staff scheme terminated on 22 December 2021 resulting in a payment of R103,0 million to Black staff participants. Over the life of the scheme significant value was generated for Black staff with the scheme delivering R156,3 million in value to participants. Following the expiry of the scheme in December 2021, the Company's Board approved a new Black staff scheme in terms of which 6,25% of Irvin & Johnson Limited ("I&J Limited") will be held by Black staff up to 2035 through the I and J Staff Holding Company (Pty) Ltd. The share rights scheme that has been implemented delivers value against I&J share price appreciation and is an integral part of I&J's compliance for the allocation of long-term fishing rights.

AVI and I&J Holding Company (Pty) Ltd ("I&J HoldCo") are fully committed to transformation in South Africa and, in addition to the Black staff scheme, 18,75% of I&J Limited is held by Twincitiesworld (Pty) Ltd , a 100% Black-owned company.

In total, 25% of the issued share capital of I&J Limited is directly held by Black shareholders, thus promoting an equitable and sustainable economic participation through the broad-based sharing of value creation to the benefit of all stakeholders.

Management control

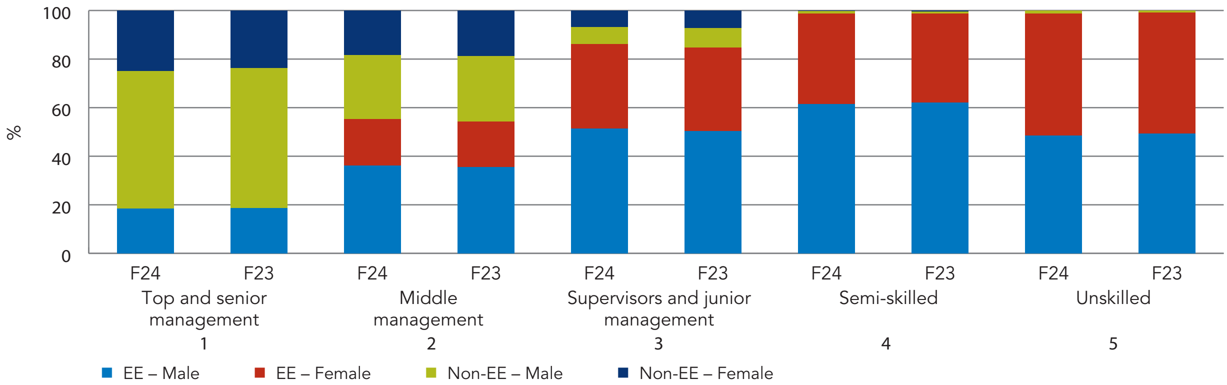
Management control measures both Board participation and employment equity as one element.

The Company achieved a score of 39,1%. This is a reduction against the prior year score of 42,56% and is the result of the resignation of one Black non-executive director on the AVI Limited Board, and the Board changes at I&J HoldCo and I&J Limited resulting from the change in the BBBEE ownership structure.

Management control remains an area of heightened focus for the Company. The Management Control element measures transformation at the Senior, Top, and Board levels and the Employment Equity element measures transformation at the Junior and Middle Management levels.

Attracting senior Black candidates from their current employment in these less than certain economic times is difficult with employees often being loathe to leave existing employment. The Company nonetheless continues its efforts to appoint, develop, and retain Black employees, especially where representation is required in the middle, senior, and top management bands. The Company's employment equity efforts remain behind training, developing, and mentoring Black employees with the objective of retaining them and preparing them for more senior roles.

AVI employment equity demographics



Skills development

Development of the Company's employees remains a priority. Material progress has been made over the years by originating relevant learning opportunities for a broad community of employees, continually reviewing current learning services and requirements, and enhancing their alignment to the Company's needs. This has assisted the Company in the development of its employees in an appropriate manner, and in progressing the Company's transformation agenda.

The amount spent on recorded skills development initiatives in the past financial year was R108,67 million, equivalent to 3,98% of the leviable amount, as defined in the Skills Development Levies Act, namely the total amount of remuneration, paid or payable or deemed to be paid or payable by the Company to its employees during any month. 4 838 employees, or 57,19% of the total workforce (including permanent and fixed term contract employees), were trained during the year, 96,07% of whom were Black. Of the total Black employees trained 45,03% were Black females. The total spend for Black males was R54 million and for Black females was R29,6 million. The Company budgets annually to spend approximately 2% of the leviable amount on skills development initiatives.

The Company achieved a score of 69,08% (including Bonus Points) and met the required 40% threshold.

All employees in the C, D, E and F bands undergo annual performance reviews and goal setting for the year ahead.

Employees rated as high performers or possessing scarce skills will be identified and development activities will be undertaken linked to future business needs and retention. Individual training plans will be developed as appropriate. Employees rated as under-performers will be performance managed with a view to improving their performance or exiting them from the business.

The Company continues to have strong and credible relationships with five key Sector Education and Training Authorities ("SETA"), including the Food and Beverage SETA, the Wholesale and Retail SETA, the Transport SETA, and the Chemical Industries SETA, which enabled the Company to receive mandatory grant payments of R5,07 million and discretionary grant payments of R2,50 million in the year.

The Group Skills Development Facilitator continues to focus on the management of PIVOTAL (Professional, Vocational, Technical and Academic Learning) programmes. During the year, the Company had 523 learners (the majority of whom were Black) on such programmes.

Learnership programmes, occupational qualifications, and apprenticeships remain a priority throughout the Group.

In the past year National Brands supported 272 learners of whom 59 were unemployed disabled persons on key programmes, including End-User Computing Level 3. National Brands has also enrolled 22 apprentices on critical and scarce trades courses. 26 employees have started an NQF Level 8 Business Leadership programme and a further 17 employees have started a Level 5 Management qualification with the DaVinci Business School.

I&J has made substantial investments in training unemployed youth for the fishing and broader maritime industry. I&J recognises the critical need to empower the younger generation by providing them with the skills and opportunities necessary to thrive in the fishing and maritime sectors. These initiatives reflect I&J's commitments to social responsibility and align with their strategic goals to support community development and sustainable industry growth. I&J also participates in the Youth Employment Service (YES programme) initiated by government in F20 in terms of the BBBEE Act and aimed at youth employment. In F24 I&J registered a further group of 93 unemployed youths on 12-month youth employment contracts, thereby giving them their first opportunity at employment. Over the past year I&J made a substantial investment in the formal training and development of 135 people (of whom 30 are disabled) on programmes including NQF4 Leadership Development, and NQF3 End User Computing (for learners with disabilities), as well as Apprenticeship programmes for both employed and unemployed individuals.

Indigo Brands trained 21 learners and focused on NQF5 Supply Chain Management and NQF3 End User Computing. For the period F24 Indigo Brands also invested in unemployed Disabled Learnerships.

Spitz successfully enrolled 70 people on the NQF5 Retail Chain Store Manager programme with IMM. In addition, 10 store managers participated in the NQF5 Generic Management programme for wholesale and retail and 15 store managers participated in the NQF4 General Management programme. 21 unemployed, disabled learners were enrolled on an NQF3 Generic Management programme. Spitz bursaries are funding 9 employees' higher education studies.

Ciro enrolled 19 disabled people on the NQF3 End User Computing programme, and a further 11 employees on NQF4 and NQF5 Generic Management programmes, and a Contact Centre Support programme.

Since the inception of the AVI Graduate Programme in F16, students have had various opportunities within the Group. There are currently 34 graduates enrolled on a 24-month programme across I&J and National Brands. 19 are in their first year and 15 are in the final year of the programme. The Company will try and place all graduates who are in their final year into permanent employment at the end of 2024, having proven themselves through their respective programme experiences. 100% of the graduates are Black. All 34 current graduates have had the opportunity to engage in soft skills and business specific training in order to fast track their development. At this stage there will be 19 new graduate positions in 2025 across National Brands and I&J, spanning various fields such as engineering, planning, sales, quality, procurement, supply chain, research and development, and payroll.

The Company remains focused on the development of online training courses in an effort to reduce the cost and complexity of classroom-based programmes, particularly in the retail businesses. There are currently over 75 online courses on the system to enable efficient, effective, and personalised knowledge transfer for development, governance, and compliance purposes. These have assisted employees to access knowledge from any location, free of charge, and have enabled a view of their progress and achievements.

The Company will continue identifying other appropriate online training programmes, whilst continuing to benefit from the holistic view of our talent and succession strategies across and within our businesses.

All training programmes are evaluated from time to time for relevance and results and changes made, as necessary. Individual employees on training programmes are carefully monitored and assisted, as necessary, throughout the programme to ensure optimal results.

Enterprise and supplier development

Under the amended Codes this element now comprises preferential procurement, enterprise development, and supplier development.

The Transformation team, in collaboration with specialist procurers in the Company, and with a focus on favouring local empowering suppliers (as defined in the amended Codes), plays a large role in the Company's enterprise and supplier development strategy. The Company achieved a score of 83,87%. The Company met the 40% threshold in all three elements, namely preferential procurement (89,61%), supplier development (40,32%), and enterprise development (100%).

The Transformation team works closely with the business unit procurement teams to identify and review potential supplier development projects, both to replace imported raw material/packaging suppliers and to develop Black-owned suppliers for locally supplied raw materials, services, and/or packaging. Each potential project is reviewed to ensure that the potential supplier meets the criteria stipulated in the Group's Enterprise and Supplier Development Plan and that the project is sustainable. Suitable projects are hard to find and take considerable time to review but once they have been identified and verified as being both commercially viable and contributing towards the sustainable development of local suppliers, agreements are signed, and priority given to implementing the projects. Some of the projects that have been implemented and continue to be managed include:

- Early payments to Exempt Micro Enterprises ("EME") and Qualifying Small Enterprises ("QSE").
- Funding of select supplier and enterprise development initiatives across a wide range of sectors in collaboration with reputable third-party institutions, such as Inyosi Empowerment and B1SA. Among the enterprise development beneficiaries being funded through Inyosi Empowerment, are Connector and Learn Technologies and Dollar Sign Concept (Pty) Ltd, both of whom are beneficiaries of low interest loans and have been graduated by Ciro and I&J respectively, from enterprise development beneficiaries to BBBEE suppliers.
- Partnering with Inyosi and B1SA to provide the Company's QSE and EME suppliers with access to their buyer/supplier networking platforms, namely iHive Procurement Portal and B1Link, respectively.
- Continued focus on graduating enterprise development beneficiaries into long-term Group suppliers.
- Engaging non-compliant suppliers and providing them with training on the BBBEE Codes of Good Practice to empower them to improve their BBBEE scores.

Procurement from local suppliers and service providers remains a strong focus for the Company. Localisation stimulates local production, creates, or sustains employment, helps to improve the quality of local production, and enables better lead times with cost reductions. The following outcomes were achieved in F24:

- Specialised paper wax liners for I&J products, a key product for I&J, which are currently imported from Denmark, China, and the United Kingdom, are in

development with a local packaging supplier.
- Ciro has sourced a local manufacturer of specialised cleaning chemicals and detergents to replace materials previously sourced from Italy and Switzerland.
- A supplier development project for a Procurement e-Catalogue that allows buyers to procure low value, high volume products progressed well through F24 and is currently being rolled out, starting with National Brands. This will enable suppliers, particularly small and medium-sized enterprises, to gain low-cost access to purchasers such as the Company.

Currently –
- 98% of local supplier spend is BBBEE compliant.
- 9% of the local procurement spend is with EMEs and QSEs.
- 63% of the local procurement spend is with Black-owned vendors.
- 56% of the local procurement spend is with 30% (at least) Black women-owned vendors.

The Company engages with suppliers regarding their transformation needs and requires its suppliers to register on the Department of Trade and Industry IT portal, which provides a single national catalogue of vendors and their BBBEE profiles. In addition, the Company engages with suppliers regarding their empowering supplier status and assists suppliers, where necessary, to achieve this requirement.

The subsidiaries have procurement policies addressing such matters as BBBEE targets, origin of materials, environmental awareness, and sustainability, as well as labour practices and ethics. Potential suppliers are required to undergo a thorough vendor evaluation and selection process and are required to comply with the supplier code. Wherever possible, locally based suppliers are preferred over international suppliers. The Company makes every effort to ensure that it only does business with suppliers who comply with all applicable legislation and has not identified any of its suppliers where employees' labour and human rights are, or are at risk of, being violated.

Corporate social investment

The Company's corporate social investment ("CSI") programme is aimed at bringing about positive social and economic changes to historically disadvantaged communities in the environments in which the Company operates. The Company again achieved a score of 100% for its socio-economic development in the most recent BBBEE rating. On an annual basis an amount of approximately 1% of the Company's pre-tax profits achieved in the previous year is set aside for this purpose. The areas of focus are broadly education and skills development; health and welfare; and social and community development. Grants are

Image captions:

1. Olico Maths Education - Tutoring session


1

managed on a full-time basis through the Company's Community Investment Trust. This trust is served by elected employees who have shown an interest in CSI and an ability to manage the CSI programme. All material projects are properly vetted and routinely monitored by the trustees and the full-time trust administrators to ensure that they achieve what was initially intended. All beneficiaries are also required to report to the trust at least once a year on the socio-economic activities undertaken by them and how the grant was spent. In addition, the Company is always cognisant of the impact, both negative and positive, that its operations could have on local communities and commits to identifying any such communities and to engaging with them regarding the prevention or mitigation of negative impacts. For this reason, many of the programmes supported by the CSI funding operate in or near to the communities in which the Company's operations are located.

During the year R26,4 million was available to the Company's CSI programmes. Of this amount R25,9 million was distributed as direct financial contributions to beneficiaries. In addition, the Company incurred R2,1 million in overhead costs, being the cost of employee and management time.

The greatest portion of the Company's CSI funding was spent on education, skills development projects, and community training and skills programmes as follows:

- The Supplementary Education Trust continues to be a meaningful cause. Through their incubator programme, learners from grades 10 to 12 are exposed to high-quality educational materials and they are provided with expert tuition in English, Mathematics, and Science, on Saturdays and during school holidays, with a view to enabling them to successfully complete their final matriculation exams and further their education at a tertiary institution. In addition, learners in grades 8 and 9 are provided with the same support for Mathematics. The Trust also provides necessary study materials, career guidance, life skills training, transport, and food. The programme seeks to upgrade the learners' academic standards to enable them to further their education at a tertiary institution. These programmes include learners from impoverished homes and underperforming schools in areas such as Umlazi, Inanda, Kwa-Mashu, Claremont, and Mabopane.
- The Diepsloot Foundation, which was founded in 2008, provides Adult Basic Education and Vocational Training as a key component of its strategy to uplift and empower the community through education, vocational training, and enterprise development. The key objective is to channel funding, skills, and resources into

Image captions:

2. Saartjie Baartman Centre for Women and Children
3. Two Oceans Aquarium Foundation
4. Learn to Earn Sewing Practical Lessons
5. Leap Science and Maths School – Mandela Day
6. Safe Study students

sustainable projects that will benefit and build the competencies of individuals and groups within Diepsloot. The projects also allow disadvantaged youth over the age of 18 who have not achieved their matric to achieve a matric-equivalent. Over the years funding from the Company has supported the programme in general and enabled the opening of an Early Childhood Development Centre – Khulani (meaning "to grow").

- The Company has supported the Kliptown Youth Programme since 2008. The organisation was founded in 2007 and is situated in the Kliptown informal settlement in Soweto. It provides a safe haven and educational support for children and youth in grades 1 to 12. The programme provides food for the children to take to school and offers a free after-school centre with a hot lunch and additional weekend activities.
- The Ruth First Scholarship Programme sponsors disadvantaged girls' attendance at Jeppe High School for Girls, one of the country's foremost public schools for girls, with full tuition, boarding costs, and pocket money, to grade 12. The Company is currently sponsoring 14 girls in different grades.
- The Rapport Education Fund supports young students from disadvantaged communities with bursaries to enable them to gain a tertiary qualification with a view to qualifying as teachers, many of whom are now teaching at schools in under-privileged communities. The Company has been supporting the programme since 2014 and, in 2024, supported another 28 students.
- The Learn to Earn foundation trains students in Basic Computer Skills, Office Administration, Sewing, Hospitality, and Barista programmes, across three learning centres in the Western Cape. Students receive core skills training with supplementary life skills training. The foundation also facilitates access to further education and economic opportunities for their students.
- Afrika Tikkun focuses on education, personal development, career development, nutrition, health, family support, skills development, and ultimately, work placement, through its Cradle to Career Model. The programme focuses mainly on young people between the ages of 18 and 29. The goal is to ensure that young graduates of the skills programmes enjoy a better quality of life through access to employment or self-employment.
- Kingsway Centre of Concern operates the Kingsway School and the Thandanani House of Refuge. The school has 13 teachers and caters for approximately 257 learners from grades 00 to grade 7. The school provides high quality early childhood education to disadvantaged pre-school children from the informal settlement of Zandspruit and its surrounding areas. In addition, and aided by a well-supported school nutrition programme, the children receive food parcels to take home. The Company partners with the school to provide much needed support to the foundation phase schooling.
- The Theo Jackson Jeppe Trust provides scholarships for boys from disadvantaged backgrounds at Jeppe High School for Boys. The Company currently sponsors 6 boys in different grades. The sponsorship covers the full cost of tuition, boarding, study materials, and extra-curricular activities.
- The Two Oceans Education Foundation was established to promote and expand on the Two Oceans Aquarium educational, conservation, and research initiatives. The Foundation places emphasis on marine sciences and includes free environmental education outreach programmes through the Marine Sciences Academy, as well as online course and classes that were recently launched. The Company currently supports, inter alia, the Junior Biologist programme and has made it possible for bursary opportunities to be provided for students to complete the FET CAPS Marine Sciences curriculum.
- Just Grace aims to alleviate poverty in the Langa community in Cape Town by supporting education attainment and skills training. They deliver a range of education, community development, and entrepreneurial projects. They identify projects with community members or through partnerships with local organisations. The Company helps to fund the Just Grace Qhubeka programme, which provides participating youths with comprehensive support and guidance over a four-year period (from grade 9 to grade 12) through 10 sub-projects, namely: academic support, social work counselling and psychosocial support, youth opportunity programme, computer training, weekly book club, computer coding/programming, life skills, women's discussion group, job shadowing, and the holiday club.
- Love Trust grows leaders and delivers excellent, values-based education to early childhood development teachers and, through the Nokuphila School in Midrand, to approximately 380 vulnerable children in grades 000 to grade 7 from, primarily, Ivory Park and Tembisa in Gauteng. Support includes scholar transport and meals. The Love Trust Teacher Training course is SAQA accredited to ensure the teachers are provided with the required skills.
- LEAP Science and Maths Schools provides free education to students from high-need communities, with mathematics, physical science, and English as mandatory subjects. The extended school day is 9 hours and special programmes are held on Saturdays and during school holidays. Every LEAP assisted school is partnered with a more privileged school within the surrounding area. The Company currently supports 10 learners in grades 8 to 10 in two Gauteng schools and one Western Cape school.
- The Michaelhouse Community Partnership Trust partners with 18 local public schools between Lions River and Mooi River in the KwaZulu-Natal Midlands to improve their standard of education and to offer teacher development through training and mentorship. The Company provides on-going funding for the appointment of Edu-helpers who are qualified or qualifying teachers and are recruited to teach, tutor, coach, or assist with any necessary development programmes in the schools supported by the Trust.

- The Swiss-South African Co-Operation Initiative (SSACI) supports a range of training and job creation projects for South African youth. Its purpose is to enable young people to become more employable by aligning a vocational curriculum to industry's needs through workplace learning. The model comprises six to eight months full-time institutional training at an accredited training centre, followed by 18 months of structured, workplace-based training at a commercial company. Thereafter, the apprentice undergoes a further two to four weeks of trade test preparation before being entered for the trade test. A 6-month work readiness programme is included towards the end of the practical workplace-based training in order to prepare the apprentice for the world of work. The Company is supporting nine learners who are in their second year of the programme.
- Olico Maths Education provides high quality maths resources and after-school maths tuition, with a view to fundamentally transforming the academic performance of the students. Since 2022 the Company has sponsored the programme at the Alex High School.
- The Nthuse Foundation was established in 2013 with the aim of assisting young people with disabilities to obtain a tertiary education. The Company is currently supporting 4 students to embark on studies in commerce and information technology.
- Safe Study started its programme in 2020 to create safe urban spaces in Johannesburg where underprivileged children can engage in foundation learning programmes that combine arts, academic and mental wellness into one educational experience.

Other worthy initiatives that the Company supported during the year were:

- The National Sea Rescue Institute ("the NSRI") of which I&J is a platinum member, and to which the Company makes an annual donation, is staffed by volunteers and has rescue bases along the coast and on inland waters. Over the years I&J has made a substantial contribution to the organisation's infrastructure, building a state-of-the-art rescue station in the Cape Town harbour, donating a number of rescue craft, and supporting the School Drowning Prevention Programme. This programme has, to date, trained 24 000 children and is aimed at teaching children how to recognise and react appropriately to the threats posed by open bodies of water and to assist in helping those in a potential life-threatening situation. The Survival Swimming Programme is a practical approach to drowning prevention using a host of basic swimming principles to increase the chances of survival and the Company supports this programme across schools in the Western Cape, Gauteng, and KwaZulu-Natal.
- The Red Cross Children's Hospital (The Children's Hospital Trust), where I&J's contributions since 1997 have funded the construction of consultation rooms, a radiology facility in the trauma unit, an isolation ward in the burn's unit, the upgrade and expansion of the Paediatric Intensive Care Unit, expansion of the Emergency Centre, and, in collaboration with government and the Red Cross Children's Trust, the establishment of the Child Speech and Hearing Clinic at the Mitchell's Plain Hospital. In the past year, the support from the Company contributed towards the construction of the new state-of-the-art Orthopaedic Unit, which will provide specialised services and care during a single visit to the hospital, thus removing some of the burden of travel time and costs from caregivers.
- The Whale Coast Conservation Trust ("WCCT") was established in 2002 with the mission of unifying, coordinating, and promoting environmentally sustainable living in the Cape Whale Coast region of the Western Cape. I&J has collaborated with the WCCT to inspire environmental learning and an understanding of one-planet/sustainable lifestyles through sponsorship of environmental education programmes. Following completion of the programme, schools are given "eco-school" status. The Company's continuing contributions assisted the Trust to present a series of expos and provide environmental tours, designed to make children aware of the critical ecological role that estuaries play in the Whale Coast area, to schools in the Gansbaai area.
- Enactus promotes and supports leadership and professional development for registered students, challenging students to take entrepreneurial action to enable progress in order to ultimately improve the quality of life and standard of living of marginalised communities. Enactus brings together students, academics, and business leaders who are committed to using the power of entrepreneurial action. Guided by the academics and business leaders, the students create and implement community empowerment projects. During the past year, the Company continued supporting the Enactus teams at the Durban University of Technology, the University of the Western Cape, the University of the Witwatersrand, the University of Limpopo, and the University of Pretoria.
- St Mary's Outreach Programme started in 2004 as a Catholic mission and now operates in the rural areas of Marianhill in KwaZulu-Natal, catering for destitute and unemployed youth, women, and children. The programme offers a home drop-in centre for orphaned and vulnerable children, psychosocial counselling, a school health programme, community-based developments, income generation projects, and gardening projects.
- The Carel du Toit Centre, operated by the Carel du Toit Trust, offers detection, intervention, and treatment for hearing impaired children to enable them to enter mainstream schooling. Support by the Company enables the programme to have five school buses across five transport routes in the Western Cape for children whose parents are unable to pay for transport. The Centre is the only school of its kind in the Western Cape and most of the learners come from far outlying areas. More than 60% of the learners depend on the transport programme to get to school and back home. The Company has also provided funding for the development of a system for testing babies' hearing at birth, including the upskilling of selected persons

with an accredited short course in Newborn Hearing Screening, which is a much-needed resource in the public health sector in particular. Parents of new-borns and young children are now able to access this service through community outreach programmes such as Children Hear and Talk (CHAT).
- Heart-Work reaches prisoners who have never been exposed to personal therapy or have never been afforded the opportunity to learn about their personal emotions in a controlled and secure environment, to curb the re-admittance rate that most prisoners experience, and to learn healthy coping mechanisms and integration skills. The Company's support has enabled the programme to be implemented in six correctional centres across Gauteng.
- Little Eden cares for children and adults with profound intellectual disabilities. They are provided with 24-hour nursing care, medicines, therapy, food, clothing, and shelter. The Company has adopted and fully supports 5 residents at the centre.
- The Domino Foundation partners with establishments such as early childhood development centres to provide meals, and with community organisations to provide relief hampers. The Foundation operates in 10 communities across KwaZulu-Natal and provides meals to over 60 establishments. The Company continues contributing towards these activities in KwaZulu-Natal.
- O Graceland and the Menstruation Foundation who together are working towards ending period poverty through the provision of free, locally made, eco-friendly pads and the installation of pad vending machines. The Company has sponsored the installation and monthly restocking of 6 sanitary pad dispensing machines at high schools in KwaZulu-Natal, Gauteng, and the Western Cape.
- One Voice South Africa is a small organisation with a big vision of a world where young people can actively engage with meaningful opportunities for personal development and raise their voices to bring about a healthier future for themselves and their communities. The Company's contribution assisted with the roll-out of the Life Skills and Enterprise Projects with the new grade 8, 9 and 11 learners in 2 schools.
- The Saartjie Baartman Centre for Women and Children opened in 1999 in response to the high rates of violence against women and children on the Cape Flats. To date they have assisted over 260 000 women and children. The Centre provides a multi-disciplinary service to manage and prevent violence and to assist those in need of support. The Company's contribution to the Centre will enable it to continue providing cost-free services, 365 days a year, to abused women and children, whilst at the same time working on programmes to address the underlying issues.

The Company has also been involved in or made ad hoc donations to a number of other important initiatives, such as the South African Air Force Association, Impande Yotshani, Give a Child a Family, Coach, Gift of the Givers, Girls and Boys Town, Two Oceans Aquarium, Supreme Cadets, Missing Children SA, Centre of Excellence Bishop Lavis, Embocraft Training Centre Trust, Go for Gold Tuition, Siyabonga Africa, and Thomsom Smillie.

In addition to contributions made to various organisations by the Trust, I&J also contributed just over R1 million directly to a number of programmes aimed at the communities in which its employees live and work, such as Service Dining Room, Seesterretjies ECD Centre, Gansbaai Academia, The Homestead Project for Street Children, Heideveld Rescue Mission, Lifesaving Cape Town, The Trauma Centre for Survivors of Violence, Abraham Kriel Childcare, Blompark Ikamva Early Childhood Development Centre, and SA Harvest.

The AVI Graduate CSI Project was launched in F21 in collaboration with the Trust. The Project is aimed at exposing graduates to social challenges in the country and positioning them to become social change leaders and contributors to the communities in which they live. Each year the graduates choose a number of beneficiaries, which each receive R50 000 from the Trust and the graduates engage with them by providing time or key skills. In 2024 the graduates reached 4 500 beneficiaries working with six non-profit organisations across three provinces, being Enactus, Safe Study, Little Eden, Domino Foundation, Love Trust, and the Diepsloot Foundation.

At a more personal level, the Company's employees are encouraged to become involved with their local communities on Company sponsored employee volunteer days. All of the projects are selected from organisations with which the Company has established relationships, and the Company gives employees time off to provide their services to these projects. In July 2024 employees across the Group participated in a Mandela Day Stationery Drive and a hospital visit to the Children's Hospital Trust Mandela Day Drive to hand out gifts to the children and just generally interact with them.

Good corporate citizenship

The Company recognises the benefits of being a good corporate citizen with a commitment to contributing to sustainable economic, social, and environmental development. This is achieved through working with employees, their families, the local communities, and society at large to improve quality of life, and being an organisation with which it is desirous to do business.

Labour data and practices

Number of employees by type of employment (South Africa at 30 June)	2024	2023
Fixed term contract	532	387
Fixed term contract – in-service trainee	0	1
Fixed term contract – learnership	174	187
Permanent	7 753	8 251
Number of employees by type of employment (Namibia, Zambia, and Botswana)		
Fixed term contract	6	2
Permanent	278	275

All employees (permanent and fixed term) by region and gender (at 30 June)

Region	Female	Male
Eastern Cape	152	103
Free State	146	66
Gauteng	2 019	1 583
KwaZulu-Natal	912	655
Limpopo	30	47
Mpumalanga	48	45
Northern Cape	7	5
North West	18	24
Western Cape	1 449	1 150
Namibia, Botswana, and Zambia	236	48

	2024	2023
Number of permanent employees (South Africa at 30 June)	7 753	8 251
Gender split (%) (including Foreign)		
• Male	57	57
• Female	43	43
Ethnic split (%)		
• African	73	72
• White	5	5
• Indian	4	4
• Coloured	17	18
• Foreign	1	1
Ethnic and gender split (%)		
• Black (African, Indian, and Coloured) male	53	53
• White male	3	3
• Black (African, Indian, and Coloured) female	41	41
• White female	2	2
• Foreign	1	1

	2024	2023
Number of permanent employees (Namibia, Zambia, and Botswana at 30 June)	278	275
Gender split (%) (including Foreign)		
• Male	84	85
• Female	16	15
Ethnic split (%)		
• African	97	99
• White	1	0,5
• Indian	–	–
• Coloured	2	–
• Foreign	–	0,5
Ethnic and gender split (%)		
• Black (African, Indian, and Coloured) male	83	84
• White male	0,7	0,5
• Black (African, Indian and Coloured) female	16	15
• White female	0,3	–
• Foreign	–	0,5

Employee movements – South Africa at 30 June 2024 (including intra-Group transfers and changes in contract from Fixed Term Contract to Permanent and Permanent to Fixed Term Contracts)

		Fixed Term Contracts (all types)					Permanent					
		Female		Male		Total All Fixed Term	Female		Male			Total Net Movements
Region	Age Group	Entry	Exit	Entry	Exit	Contracts	Entry	Exit	Entry	Exit	Total All Permanent	All Employees
Eastern Cape	<20	–	–	2	2	–	1	–	–	–	1	1
	20 – 40	15	19	16	15	(3)	15	10	18	17	6	3
	41 – 60	–	–	2	4	(2)	1	4	5	11	(9)	(11)
Free State	<20	–	–	–	–	–	–	–	1	–	1	1
	20 – 40	6	7	8	9	(2)	12	9	27	28	2	–
	41 – 60	1	1	–	–	–	3	–	2	6	(1)	(1)
	60+	–	–	–	–	–	–	–	–	1	(1)	(1)
Gauteng	<20	1	1	2	1	1	–	1	–	–	(1)	–
	20 – 40	202	179	195	187	31	136	120	153	160	9	40
	41 – 60	17	18	24	23	–	22	63	34	97	(104)	(104)
	60+	–	1	5	4	–	–	–	1	25	(24)	(24)
KwaZulu-Natal	<20	–	–	1	2	(1)	1	–	2	–	3	2
	20 – 40	60	62	72	75	(5)	46	35	75	72	14	9
	41 – 60	6	9	11	11	(3)	3	22	6	42	(55)	(58)
	60+	1	1	3	5	(2)	–	–	–	9	(9)	(11)
Limpopo	<20	1	1	–	–	–	–	–	–	–	–	–
	20 – 40	8	8	7	7	–	5	6	2	14	(13)	(13)
Mpumalanga	20 – 40	15	18	16	18	(5)	7	6	14	13	2	(3)
Northern Cape	20 – 40	2	2	1	1	–	–	1	–	–	(1)	(1)
North West	20 – 40	2	2	3	3	–	2	3	2	11	(10)	(10)
	41 – 60	–	–	–	–	–	–	1	–	–	(1)	(1)
Western Cape	<20	16	7	16	5	20	1	–	3	–	4	24
	20 – 40	176	116	201	184	77	53	133	71	138	(147)	(70)
	41 – 60	11	9	58	28	32	12	96	31	106	(159)	(127)
	60+	3	6	5	9	(7)	–	2	–	3	(5)	(12)
Totals		543	467	648	593	131	320	512	447	753	(498)	(367)

The Company is committed to compliance with all applicable employment and labour laws and regulations in the jurisdictions in which the Company operates, as well as other principles, including the ILO Labour Standards, the OECD Guidelines, and the UN conventions.

Freedom of association and protection of the right to collective bargaining

Every employee has the right to form, join, and organise trade unions or other organisations of their choice for furthering and defending their interests, and to bargain collectively with the Company as set out more fully in Chapters II and III of the LRA, and as read with the relevant ILO Standards, including those on freedom of association, protection of the right to organise, and collective bargaining. AVI respects these rights and does not interfere with the exercise thereof. Elected employee representatives are not subject to discrimination, harassment, intimidation, or retaliation for reason of their being members of a trade union or participating in trade union activities.

Of the Company's permanent employees, 38% are members of recognised trade unions covered by collective agreements defining the terms of the relationship between the Company, the unions, and the members, as well as their engagement on matters ranging from operational changes to annual negotiations on wages and other substantive issues. Union engagement is managed at an executive level within the subsidiaries, with oversight from the Company.

Equal remuneration

In accordance with ILO convention number 100, equal remuneration refers to *"rates of remuneration established without discrimination based, directly or indirectly, on sex."* AVI ensures that the application of the principle of equal remuneration for persons of all genders for work of equal value is entrenched in its remuneration practices through the adoption of non-discriminatory benchmarking, job grading, and salary scales.

All employees are remunerated based on either external benchmarking and salary surveys or in accordance with collective wage agreements and/or applicable sectoral determinations, all of which exceed the legislated minimum wages and take account of consumer inflation.

Discrimination

The Company does not allow any unfair distinction, exclusion, or preference between employees made on the basis of race, colour, sex, religion, political opinion, national extraction, social origin, or any other ground as set out in, inter alia, the Employment Equity Act, 1998, or the ILO Labour Standards. The Company applies a strict non-discrimination policy, designed to promote equal opportunities and diversity, relating to: recruitment procedures (including advertising, selection and appointments); job classification and grading, remuneration and benefits, terms and conditions of employment; job assignments; work environment and facilities; training and development; performance and evaluation; promotions; transfers; succession and experience planning; disciplinary measures; dismissals; corporate culture; reasonable accommodations; and HIV/AIDS and other wellness programmes. During the year, no infringements of discrimination were reported.

Employment relationships

AVI complies with the provisions of the Basic Conditions of Employment Act, 1997 ("BCEA"), and the LRA, relating to ensuring that the employment relationship between AVI and its employees is clearly documented and defined.

The businesses endeavour to ensure that they maintain sustainable permanent workforce levels with a view to providing regular employment, but during peak manufacturing season or fishing season the Company will employ temporary employees in certain capacities. These employees are either provided with written fixed-term contracts of employment, which comply with relevant legislation or collective agreements, and are remunerated according to industry benchmarks (well above the legislated minimum wage) or, in the case of the fishing industry, in accordance with the industry collective agreements.

In addition to permanent and fixed-term contract employees, seasonal workers will be employed through temporary employment service providers and contractors will be employed in terms of substantive agreements with service providers in respect of non-core Group functions such as security, cleaning, and catering. Seasonal workers and contractors will have employment agreements with the relevant service providers, who manage all aspects of their remuneration, benefits, working hours, etc. Service providers are required to comply with applicable laws (including those relating to remuneration and employment conditions), as well as the AVI supplier code.

When the businesses are contemplating retrenchments based on operational requirements, these are done strictly in accordance with the provisions of the LRA. The process will include a meaningful joint-consensus seeking process to address all of the matters contemplated in the LRA, including, but not limited to, how to avoid or minimise the retrenchments, ways to mitigate the adverse effects, which employees will be retrenched, and the severance pay for retrenched employees.

99% of the employees in the Company's total South African operations are South African citizens. In Namibia, Zambia, and Botswana, 100% of employees are citizens of those countries. 100% of the Company's top and senior management are South African citizens or permanent residents.

All employees, whether permanent, part-time, or fixed-term, have written contracts of employment, which comply with local legislation. All terminations of employment are done strictly in accordance with relevant legislation. Dismissed employees who dispute the procedural or substantive fairness of their dismissal, have access, at no cost to them, to the Commission for Conciliation, Mediation and Arbitration. No large-scale redundancies or job cuts (affecting more than 1 000 or 5% of employees) were undertaken during the year under review.

Human resources development

AVI is committed to the development of its employees, details of which are set out more fully throughout this report and, in particular, in the Skills Development section on page 57. AVI complies with its obligations in terms of the Skills Development Act, 1998, and the Skills Development Levies Act, 1999.

Remuneration, working hours, and paid leave

Salaries and wages paid to employees meet or exceed legislated minimum standards. Working hours, overtime, shift allowances, salary deductions, and other remuneration and working hours-related matters (including rest periods, paid leave, part-time work, and night work) comply with applicable legislation, including the BCEA, the Income Tax Act, 1962, and relevant Sectoral Determinations, as read with relevant ILO Labour Standards.

All employees are entitled to, at least, the minimum leave benefits as provided for in the BCEA, or the relevant Sectoral Determination, the AVI Group Leave Policy, or an applicable collective bargaining agreement, as the case may be, including, as applicable, annual leave, maternity leave, parental leave, adoption leave, commissioning parental leave, and family responsibility leave. Where appropriate, the Group leave policy also makes provision for ad hoc discretionary leave to be given in extraordinary circumstances or where additional leave is negotiated and agreed on in terms of the collective bargaining structures.

Maternity benefits

Employees are entitled to the maternity benefits set out in the BCEA, or the AVI Group Leave Policy or an applicable collective bargaining agreement, as the case may be. AVI also complies with its obligations relating to working during maternity leave as set out in the BCEA, and the Code of Good Practice on the Protection of Employees during Pregnancy and After the Birth of a Child.

Child labour

In accordance with the recommendations of ILO convention numbers 138 and 182, and the UN Convention on the Rights of the Child, South Africa has defined a "*child*" in the BCEA, as "*a person who is under 18 years of age*". AVI complies with all South African laws in respect of the employment of children. AVI respects and supports the rights of all children and endorses the UNICEF Children's Rights and Business Principles.

Forced and compulsory labour

Forced labour is defined in the ILO convention number 29 as "*all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily*". All forms of forced labour are absolutely prohibited in AVI.

Income security

Membership of a Group retirement fund is compulsory for all permanent employees (including flexitime and part-time permanent employees). There are no permanent employees in any of the countries in which the Company does business, who are not members of a Group retirement fund. Such membership includes life and disability cover, with some of the funds also providing funeral benefits. Fixed-term employees are not eligible to join one of the Group's retirement funds. AVI complies with all statutory obligations in terms of the Unemployment Insurance Act, 2001, and the Unemployment Insurance Contributions Act, 2002.

Medical care

Membership of a Group medical scheme is compulsory for all permanent employees within the D, E, and F bands and optional for other permanent employees. Employees in the A, B and C bands who elect not to join the medical scheme, have access to healthcare either through on-site clinics or the public healthcare system. Fixed-term employees are not eligible to join one of the Group's medical schemes. All employees have access to at least paid sick leave in accordance with the BCEA. Where appropriate, the Group leave policy also makes provision for ad hoc discretionary sick leave to be given in extraordinary circumstances or where additional leave is negotiated and agreed on in terms of the collective bargaining structures.

Labour inspections

AVI understands and accepts the rights of the Department of Labour to undertake labour inspections of its businesses and cooperates fully with labour inspectors.

Maritime labour

AVI complies with all applicable laws and regulations relating to maritime labour in South Africa including the Merchant Shipping Act, 1951, and the Marine Living Resources Act, 1998, underpinned by the ILO Maritime Labour Convention, 2006, to which South Africa is a signatory.

Compliance

The Company requires the subsidiaries to have appropriate policies and procedures in place to address employee and industrial relations issues and to ensure that these policies and procedures are communicated to all employees and other relevant stakeholders.

Relevant labour and employment-related legislation, which is complied with by the Company, includes but is not limited to the:

- BCEA;
- National Minimum Wage Act, 2018;
- LRA;
- Employment Equity Act, 1998;
- Skills Development Act, 1998;
- Skills Development Levies Act, 1999;
- Compensation for Occupational Injuries and Diseases Act, 1993;
- Unemployment Insurance Act, 2001; and
- Unemployment Insurance Contributions Act, 2002.

The supplier code makes it compulsory for all suppliers and service providers to the Company to comply with all relevant employment and labour laws and regulations in the jurisdictions in which the Company operates.

Human Rights

The Company believes in, recognises, and supports the inherent dignity, and equal and inalienable rights, of all people.

The Company commits to respecting the rights set out in the Bill of Rights contained in Chapter 2 of the Constitution of the Republic of South Africa, 1996, the United Nations Universal Declaration of Human Rights, the OECD Guidelines, and the ILO Labour Standards, and to ensuring that neither the Company nor its employees are complicit in the violation of human rights.

The Company expects all employees and other stakeholders to understand and support these rights and to take all steps reasonably practicable to ensure that they do not commit and are not complicit in the violation of human rights. During the year, no infringements of any employee's human rights were reported.

Health, safety, and wellness

The Company provides a healthy and safe work environment to its employees as a basic right and recognises that such a workplace enhances employee morale and productivity. It is also recognised that a healthy and safe workplace is essential particularly in the food handling industry and ensures that consumers are protected, and product quality is assured.

Health and safety requirements are firstly monitored and reviewed within the risk management framework of the Company and legislative compliance is required as a minimum standard. The requisite health and safety committees are in place and training occurs on an ongoing basis. These on-site committees deal with issues as and when required, and if necessary, they elevate matters to the internal review committees to which they report. If necessary, matters are referred to the Company's Board or Audit and Risk Committee. In addition, the Social and Ethics Committee monitors these matters. There are also various supplementary health and wellness initiatives that form part of the Company's employee engagement framework.

Statistically the Company's safety record is viewed against the industry standard disabling injury frequency rate ("DIFR"), which measures the percentage of employees that suffer a disabling injury for every 200 000 man hours worked. A disabling injury is an injury that causes an employee to miss a shift following the one on which they were injured. The Company experienced 63 disabling injuries. These injuries resulted in 729 lost days for the year, and an achieved DIFR of 0,52 for the year, below the target DIFR of 0,65.

The Company categorises all injuries into one of three classes. Class 1 being damage that permanently alters a person's life or results in a fatality, to class 3 that inconveniences a person's life. During the year under review there were zero class 1 injuries or deaths, 12 class 2 injuries, and 51 class 3 injuries. Each injury was properly reported and investigated, and remedial and preventative actions taken, including where necessary, additional, or improved employee training or changes to the work environment. Throughout the businesses steps are taken to proactively identify and prevent potentially harmful situations and improve employee training.

In response to work-related upper limb disorders caused by repetitive motion, Indigo Brands implemented an ergonomic programme whereby an Occupational Therapist conducted assessments to highlight undesirable ergonomic conditions and practices. Reported cases have reduced owing to ergonomic education interventions, equipment modifications and investments, and the rotation of employees in line with the Occupational Therapist's recommendations. Conservative treatment cases are managed through weekly engagements with the Indigo Brands-appointed doctor, Occupational Therapists, Physiotherapists, and Operational Managers, to prevent injuries.

The high safety standards adopted by the operations are continually being enhanced by accreditations from independent standard-regulating authorities.

Store robberies in the retail sector remain problematic. Spitz is taking all practical measures to limit the probabilities of, and risks associated with robberies in their Spitz, Kurt Geiger, Gant, and Green Cross stores, including continually updating and improving electronic surveillance, and physical security measures. As staff safety is paramount, staff are trained on how to react in the event of a robbery. In addition, Spitz maintains a close relationship with the AVI Employee Wellness Programme to ensure that affected staff receive counselling after any traumatic event.

Primary healthcare clinics are located at each of the Company's larger sites, manned on a full-time or part-time basis by appropriate medical professionals. These clinics are well equipped to play a material role in the day-to-day healthcare management of the Company's shop floor employees, and in a number of instances provide basic medication to these employees as well as an outreach programme for immediate family members. They also facilitate the management and distribution of chronic medication to employees with chronic conditions, primarily hypertension, diabetes, and HIV/AIDS. Since 2020 the clinics have also been used for COVID-19 screening and the medical staff perform an essential role in screening and identifying high risk employees to enable appropriate mitigation measures to be implemented. The clinics also perform annual and occupational medical checks for all employees, facilitate voluntary counselling and training ("VCT") programmes, and provide flu vaccines to high-risk employees, all at no cost to the employees.

Utilisation levels of the employee wellness programme, managed by Lyra Health and introduced throughout the Company during April 2009, remain constant and the programme is well used by the Company's HR community, the Company's employees, and their immediate families. The employee wellness programme covers areas that address the entire spectrum of psychosocial stressors in the workplace and at home, lifestyle diseases, and work-life balance by providing an independent, impartial, professional, and confidential counselling and advisory service that extends beyond healthcare and, among other services, gives the Company's employees and their immediate family members access to financial and legal advisory services. The Company and its subsidiaries continue to actively promote the use of the employee wellness programme.

In addition to the formal employee wellness programme, a number of sites hold wellness programmes and days on matters such as diabetes; tuberculosis; HIV/AIDS; eye care; cancer awareness; and generally maintaining a healthy lifestyle. Compliance with applicable labour legislation pertaining to working hours, overtime, and leave, ensure employees maintain a healthy work-life balance. Where operationally possible, the businesses implement workplace flexibility, which may include flexible working hours or working from home, as appropriate.

The supplier code makes it compulsory for all suppliers and service providers to the Company to have procedures and systems in place to prevent, manage, track, and report occupational injuries and illnesses; and to provide their employees with access to clean ablution facilities, food preparation areas, storage, clean drinking water, and eating facilities.

Manufacturing certifications and accreditations

All of the National Brands manufacturing facilities maintained their Food Safety System Certification ("FSSC") 22000 V5.1, with some of the factories already having been audited according to the new FSSC V6 standard. They also maintained their American Institute of Baking ("AIB") Food Safety Standard certifications, acquired, and maintained their annual Certificates of Acceptability (now the R638 certificate) from their local municipal authorities and maintained their ISO 45001 Occupational Health and Safety Management system certifications.

The Indigo Brands cosmetics and aerosol factories are ISO 9001:2015 (Quality Management System), ISO 22716:2007 (Cosmetics Good Manufacturing Practice) and SANS 1841 (Control of Quality: Trade Metrology Act) certified. In the year under review Indigo Brands maintained compliance against all of these certifications. Indigo Brands actively works with its suppliers and conducts supplier evaluations in the form of cross-functional workshops and engagements, document verification/traceability and/or quality management system audits. This enhances the businesses' quality management capabilities, thus creating greater reliability regarding incoming raw materials and componentry.

The I&J Woodstock and Value Added Processing sites have Hazard Analysis and Critical Control Points accreditation, which is regulated by the National Regulator for Compulsory Specifications. Both sites also achieved an "A" rating with British Retail Consortium for Global Standards ("BRC") and retained Higher Level International Food Standard ("IFS") global food safety certification. Other certifications include Marine Stewardship Council ("MSC") Chain of Custody Certification (a sustainability certification) and SANS 1841 (Control of Quantity – Trade Metrology Act) certification. The independent Micro laboratory (MICRON) at the Woodstock factory has SANAS 17025 accreditation. The I&J chicken processing plant is ZA 111 certified (certification by the Department of Agriculture allowing the processing of chicken products). In addition to applying standards to the Company's own operations, the factories continue to make progress through supplier audits with a view to having all their suppliers certified to a recognised Food Safety standard. In accordance with customer requirements, the BSCI social audit was conducted in June 2024 and achieved favourable results. The BSCI code of conduct and the SMETA audit refer to international conventions such as the Universal Declaration of Human Rights, the UNICEF Children's Rights and Business Principles, the UN Guiding Principles for Business and Human Rights, the OECD Guidelines, the UN Global Compact, and the ILO conventions and recommendations relevant to improve working conditions in the supply chain.

All of the Company's sites are reviewed annually by independent risk management consultants and continual improvement is driven through risk committees at each site, which in turn report their findings to the Company's Audit and Risk Committee, which has the responsibility for the consideration of risk management throughout the Group.

The Company is a Top 50 subscriber to the Food Safety Initiative which operates under the auspices of the Consumer Goods Council of South Africa. It takes all reasonable steps to collaborate with stakeholders to ensure that food produced, distributed, and marketed in South Africa meets with the highest standards of food safety and nutrition, and complies with legal requirements or recognised codes of good practice.

The Company has a formal HIV/AIDS policy which details, inter alia, the Company's philosophy, responsibilities, and support programmes. Flowing from this, policies and practices have evolved over the years that include the placement of permanent clinics at the larger sites; knowledge, attitude, and practices surveys; awareness and education programmes; voluntary counselling and testing programmes; individual case management; the provision of universal precautions to prevent accidental transmission in the workplace; and the dispensing of free condoms. From time to time, the businesses also run additional campaigns, such as awareness campaigns via WhatsApp groups and quarterly newsletters.

Following the success of the Company-wide HIV/AIDS VCT programme that was introduced in 2007, the Company offers this service at all sites to all employees. The VCT programme achieves the objectives of raising awareness, significantly increasing the number of employees that know their HIV status, and providing the Company with detailed information per site so that its efforts are appropriately focused.

GRI content index of material issues reported for the period 1 July 2023 to 30 June 2024 with reference to the 2021 GRI Standards

(Page references are to the issues to the extent reported and do not imply full reporting against any standard)

Disclosure	Reference
GRI 2: General Disclosures	
2-1 Organisational details: (a) Legal name (b) Nature of ownership and legal form (c) Location of headquarters (d) Countries of operation	Inside back cover, 116, 117, 128 – 131
2-2 Entities included in the organisation's sustainability reporting: (a) List all entities (b) List of entities included in financial reporting (c) Any differences between list of all entities and list of entities included in financial reporting (d) Approach used for consolidating information, including: whether the approach involves adjustments to minority interests; how the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities; whether and how the approach differs across the disclosures in this standard and across material topics	Inside back cover, 128 – 143
2-3 Reporting period, frequency, and contact point: (a) Reporting period for and frequency of sustainability reporting (b) Reporting period for financial reporting and, if not aligned to sustainability reporting, explain the reason (c) Publication date of the report or reported information (d) Contact point for questions	Inside front cover, Inside back cover
2-4 Restatements of information: Restatements from previous reporting periods and explain: reasons for restatements; effect of restatements	Entire Integrated Annual Report, where appropriate
2-5 External assurance: (a) Describe policy and practice for seeking external assurance including whether and how the highest governance body ("board") and senior executives are involved (b) If the sustainability reporting has been externally assured: provide a link or reference to the external assurance report or statements; describe what has been assured and on what basis, including standards used, level of assurance obtained, and any limitation of the assurance process; describe the relationship between the organisation and the assurance provider	33, 93, 123 – 127
2-6 Activities, value chain, and other business relationships: (a) Sector in which organisation is active (b) Describe the value chain, including: organisations activities, products, services and markets served; supply chain; entities downstream from the organisation and their activities (c) Other relevant business relationships (d) Significant changes in 2-6-a, 2-6-b, and 2-6-c compared to previous reporting period	1
2-7 Employees: (a) Total number of employees and breakdown by gender and region (b) Total number, by gender and region, of: permanent employees; temporary employees; non-guaranteed hours employees; full-time employees; part-time employees (c) Methodologies and assumptions used to compile the data and whether the numbers are reported: in head count, full time equivalent, or other methodology; at the end of the reporting period, as an average across the reporting period, or using another methodology (d) Contextual information necessary to understand the data reported under 2-7-a and 2-7-b (e) Significant fluctuations in the number of employees during the reporting period and between reporting periods	64 – 67
2-8 Workers who are not employees: (a) Total number of workers who are not employees and whose work is controlled by the organisation and describe: most common types of workers and their contractual relationships with the organisation; type of work they perform (b) Describe the methodologies and assumptions used to compile the data, including whether the number of workers who are not employees is reported: in head count, full time equivalent, or using another methodology; at the end of the reporting period, as an average across the reporting period, or using another methodology (c) Significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods	64
2-9 Governance: (a) Describe the governance structure, including committees of the board (b) List the committees of the board that are responsible for decision making on and overseeing the management of the organisation's impacts on the economy, environment, and people (c) Composition of the board and its committees by: executive and non-executive members; independence; tenure of members; number of other significant positions and commitments held by each member, and the nature of the commitments; gender; under-represented social groups; competencies relevant to the impacts of the organisation; stakeholder representation	86 – 93
2-10 Nomination and selection of the board: (a) Describe the nomination and selection processes for the board and its committees (b) Describe the criteria used for nominating and selecting board members, including whether and how the following are taken into consideration: views of stakeholders (including shareholders); diversity; independence; competencies relevant to the impacts of the organisation	86 – 93

Disclosure	Reference
GRI 2: General Disclosures	
2-11 Chair of the board: (a) Whether the chair of the board is also a senior executive (b) If the chair is also a senior executive, explain their function within the organisation's management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated	86 – 93
2-12 Role of the board in overseeing the management of impacts: (a) The role of the board and of senior executives in developing, approving, and updating the organisations purpose, value or mission statements, strategies, policies and goals related to sustainable development (b) The role of the board in overseeing the organisation's due diligence and other processes to identify and manage the organisation's impacts on the economy, environment, and people, including: whether and how the board engages with stakeholders to support these processes; how the board considers the outcomes of these processes (c) Role of the board in reviewing the effectiveness of the organisation's processes as described in 2-12-b and report the frequency of this review	86 – 93
2-13 Delegation of responsibility for managing impacts: (a) How the board delegates responsibility for managing the organisation's impacts on the economy, environment and people, including: whether it has appointed any senior executives for responsibility for the management of impacts; whether it has delegated responsibility for the management of impacts to other employees (b) Process and frequency for senior executives or other employees to report back to the board on the management of the organisation's impacts on the economy, environment, and people	86 – 93
2-14 Role of the board in sustainability reporting: (a) Whether the board is responsible for reviewing and approving the reported information, including the organisation's material topics, and, if so, the process for reviewing and approving the information (b) If the board is not responsible for reviewing and approving the reporting information, including the material topics, explain the reason for this	86 – 93
2-15 Conflicts of interest: (a) Processes for the board to ensure that conflicts of interest are prevented and mitigated (b) Whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts relating to: cross-board memberships; cross-shareholding with suppliers and other stakeholders; existence of controlling shareholders; related parties, their relationships, transactions, and outstanding balances	86 – 93
2-16 Communication of critical concerns: (a) Whether and how critical concerns are communicated to the board (b) Total number and nature of critical concerns communicated to the board during the reporting period	86 – 93
2-17 Collective knowledge of the board: Measures taken to advance the collective knowledge, skills, and experience of the board on sustainable development	86 – 93
2-18 Evaluation of the performance of the board: (a) Processes for evaluating the performance of the board in overseeing the management of the organisation's impacts on the economy, environment, and people (b) Whether the evaluations are independent or not, and the frequency of the evaluations (c) Actions taken in response to the evaluations, including changes to the composition of the board and organisational practices	86 – 93
2-19 Remuneration policies: (a) Describe the remuneration policies for members of the board and senior executives, including: fixed pay and variable pay; sign-on bonuses or recruitment incentive payments; termination payments; clawbacks; retirement benefits (b) How the remuneration policies for members of the board and senior executives relate to their objectives and performance in relation to the management of the organisation's impacts on the economy, environment, and people	95 – 111
2-20 Process to determine remuneration: (a) Process for designing remuneration policies and for determining remuneration, including: whether independent board members or an independent remuneration committee oversees the process; how the views of stakeholders (including shareholders) of remuneration are sought and taken into consideration; whether remuneration consultants are involved in determining remuneration and, if so, whether they are independent of the organisation, its board and senior executives (b) Results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable	95 – 111
2-21 Annual total compensation ratio: (a) Ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual) (b) Ratio of the percentage increase in annual total compensation for the highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) (c) Contextual information necessary to understand the data and how the data has been compiled	95 – 111

Disclosure	Reference
GRI 2: General Disclosures	
2-22 Statement on sustainable development strategy: Statement from the board or most senior executives about the relevance of sustainable development to the organisation and its strategy for contributing to sustainable development	6 – 8, 32 – 82
2-23 Policy commitments: (a) Policy commitments for responsible business conduct, including: authoritative intergovernmental instruments that the commitments reference; whether the commitments stipulate conducting due diligence; whether the commitments stipulate applying the precautionary approach; whether the commitments stipulate respecting human rights (b) Policy commitment to respect human rights, including: internationally recognised human rights that the commitment covers; categories of stakeholders, including at-risk and vulnerable groups, that the organisation gives particular attention to in the commitment (c) Links to the policy commitments if publicly available or, if the policy commitments are not publicly available, explain the reason for this (d) Level at which each of the policy commitments was approved within the organisation, including whether this is the most senior level (e) Extent to which the policy commitments apply to the organisation's activities and its business relationships (f) How the policy commitments are communicated to workers, business partners, and other relevant parties	32 – 82
2-24 Embedding policy commitments: How the organisation embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships, including: how it allocates responsibility to implement the commitments across different levels within the organisation; how it integrates the commitments into organisational strategies, operational policies, and operational procedures; how it implements its commitments with and through its business relationships; training provided on implementing the commitments	32 – 82
2-25 Processes to remediate negative impacts: (a) Commitments to provide for or cooperate in the remediation of negative impacts that the organisation identifies it has caused or contributed to (b) Approach to identify and address grievances, including the grievance mechanisms that the organisation has established or participates in (c) Other processes by which the organisation provides for or cooperates in the remediation of negative impacts that it has identified or contributed to (d) How the stakeholders who are the intended users of the grievance mechanisms are involved in the design, review, operation, and improvement of these mechanisms (e) How the organisation tracks the effectiveness of the grievance mechanisms and other remediation processes, and reports examples of their effectiveness, including stakeholder feedback	32 – 82
2-26 Mechanisms for seeking advice and raising concerns: Describe the mechanisms for individuals to: seek advice on implementing the organisation's policies and practices for responsible business conduct; raise concerns about the organisation's business conduct	32 – 82
2-27 Compliance with laws and regulations: (a) Total number of significant instances of non-compliance with laws and regulations during the reporting period and a breakdown of this total by: instances for which fines were incurred; instances for which non-monetary sanctions were incurred (b) Total number and monetary value of fines for instances of non-compliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by: fines for instances of non-compliance with laws and regulations that occurred in the current reporting period; fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods (c) Significant instances of non-compliance (d) How the organisation has determined significant instances of non-compliance	47 and 48
2-28 Membership associations: Industry associations, other membership associations, and national or international advocacy organisations in which the organisation participates in a significant role	34 and 35
2-29 Approach to stakeholder engagement: Approach to engaging with stakeholders, including: categories of stakeholders and how they are identified; purpose of the stakeholder engagement; how the organisation seeks to ensure meaningful stakeholder engagement	34
2-30 Collective bargaining agreements: (a) Percentage of total employees covered by collective bargaining agreements (b) For employees not covered by collective bargaining agreements, whether the organisation determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organisations	65

Disclosure	Reference
GRI 201 – Economic Performance	
201-1 Direct economic value generated and distributed: (a) Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organisation's global operations. If data is presented on a cash basis, report the justification for this decision in addition to reporting the following basis components: direct economic value generated: revenues; economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments; economic value retained: 'direct economic value generated' less 'economic value distributed' (b) Where significant, report EVG&D separately at country, regional, or market levels, and the criteria for defining significance	27 and 28
201-2 Financial implications and other risks and opportunities due to climate change: (a) Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including: a description of the risk or opportunity and its classification as either physical, regulatory, or other; a description of the impact associated with the risk or opportunity; the financial implications of the risk or opportunity before action is taken; the methods used to manage the risk or opportunity; the costs of action taken to manage the risk or opportunity	41 – 47, 52 – 54
201-3 Defined benefit plan obligations and other retirement plans: (a) If the plans liabilities are met by the organisation's general resources, the estimated value of those liabilities (b) If a separate fund exists to pay the plan's pension liabilities: the extent to which the schemes liabilities are estimated to be covered by the assets that have been set aside to meet them; the basis on which that estimate has been arrived at; when that estimate was made (c) If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage (d) percentage of salary contributed by employee or employer (e) Level of participation in retirement plans	134 and 135, 159 and 160
201-4 Financial assistance received from government: (a) Total monetary value of financial assistance received by the organisation from any government during the reporting period, including: tax relief and tax credits; subsidies; investment grants, research and development grants, and other relevant types of grant; awards; royalty holidays; financial assistance from Export Credit Agencies (ECAs); financial incentives; other financial benefits received or receivable from any government for any operation (b) The information in 201-4-a by country (c) Whether, and the extent to which, any government is present in the shareholding structure	None
GRI 202: Market Presence	
202-1 Ratios of standard entry level wages by gender compared to local minimum wage: (a) When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage (b) When a significant proportion of other workers (excluding employees) performing the organisation's activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above the minimum wage (c) Whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums can be used as a reference, report which minimum wage is being used (d) The definition used for 'significant locations of operation'	Not reported*
202-2 Proportion of senior management hired from the local community: (a) Percentage of senior management at significant locations of operation that are hired from the local community (b) The definition used for 'senior management' (c) The organisation's geographical definition of 'local' (d) The definition used for 'significant locations of operation'	Not reported*
GRI 203: Indirect Economic Impacts	
203-1 Infrastructure investments and services supported: (a) Extent of development of significant infrastructure investments and services supported (b) Current or expected impacts on communities and local economies, including positive and negative impacts where relevant (c) Whether these investments and services are commercial, in-kind, or pro bono engagements	2 and 3, 11 – 22, 25, 28
203-2 Significant indirect economic impacts: (a) Examples of significant identified indirect economic impacts of the organisation, including positive and negative impacts (b) Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas	Not reported

Disclosure	Reference
GRI 204: Procurement Practices	
204-1 Proportion of spending on local suppliers: (a) Percentage of the procurement budget used for significant locations of operations that is spent on suppliers local to that operation (b) Organisation's geographical definition of 'local' (c) Definition used for 'significant locations of operation'	58 and 59
GRI 205: Anti-Corruption	
205-1 Operations assessed for risks related to corruption: (a) Total number and percentage of operations assessed for risks related to corruption (b) Significant risks related to corruption identified through the risk assessment	32 and 33, 35 and 36
205-2 Communication and training about anti-corruption policies and procedures: (a) Total number and percentage of governance body members that the organisation's anti-corruption policies and procedures have been communicated to, broken down by region (b) Total number and percentage of employees that the organisation's anti-corruption policies and procedures have been communicated to, broken down by employee category and region (c) Total number and percentage of business partners that the organisation's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organisation's anti-corruption policies and procedures have been communicated to any other persons or organisations (d) Total number and percentage of governance body members that have received training on anti-corruption, broken down by region (e) Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region	32 and 33, 35 and 36
205-3 Confirmed incidents of corruption and actions taken: (a) Total number and nature of confirmed incidents of corruption (b) Total number of confirmed incidents in which employees were dismissed or disciplined for corruption (c) Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption (d) Public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases	32 and 33, 35 and 36
GRI 206: Anti-competitive Behaviour	
206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices: (a) Number of legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which the organisation has been identified as a participant (b) Main outcome of completed legal actions, including any decisions or judgments	None
GRI 207: Tax	
207-1 Approach to tax: A description of the approach to tax, including: whether the organisation has a tax strategy and, if so, a link to this strategy if publicly available; the governance body or executive-level position within the organisation that formally reviews and approves the tax strategy, and the frequency of this review; the approach to regulatory compliance; how the approach to tax is linked to the business and sustainable development strategies of the organisation	36
207-2 Tax governance, control, and risk management: (a) A description of the tax governance and control framework, including: the governance body or executive-level position within the organisation accountable for compliance with the tax strategy; how the approach to tax is embedded within the organisation; the approach to tax risks, including how risks are identified, managed, and monitored; how compliance with the tax governance and control framework is evaluated (b) Description of the mechanisms to raise concerns about the organisation's business conduct and the organisation's integrity in relation to tax (c) Description of the assurance process for disclosures on tax including, if applicable, a link or reference to the external assurance report or assurance statement	36
207-3 Stakeholder engagement and management of concerns related to tax: Description of the approach to stakeholder engagement and management of stakeholder concerns related to tax, including: the approach to engagement with tax authorities; the approach to public policy advocacy on tax; the processes for collecting and considering the views and concerns of stakeholders, including external stakeholders	36

Disclosure	Reference
GRI 207: Tax	
207-4 Country-by-country reporting: (a) All tax jurisdictions where the entities included in the organisation's audited consolidated financial statements, are resident for tax purposes (b) For each tax jurisdiction: names of the resident entities; primary activities of the organisation; number of employees and the basis of calculation of this number; revenues from third-party sales; revenues from intra-group transactions with other tax jurisdictions; profit/loss before tax; tangible assets other than cash and cash equivalents; corporate income tax paid on a cash basis; corporate income tax accrued on profit/loss; reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory rate is applied to profit/loss before tax (c) The time period covered by the information reported in this disclosure 207-4	113 – 188
GRI 301: Materials	
301-1 Materials used by weight or volume: Total weight or volume of materials that are used to produce and package the organisation's primary products and services during the reporting period, by: non-renewable materials used; renewable materials used	37 – 47
301-2 Recycled input materials used: Percentage of recycled input materials used to manufacture the organisation's primary products and services	37 – 47
301-3 Reclaimed products and their packaging materials: (a) Percentage of reclaimed products and their packaging materials for each product category (b) How the data for this disclosure has been collected	37 – 47
GRI 302: Energy	
302-1 Energy consumption within the organisation: (a) Total fuel consumption from non-renewable sources, in joules or multiples, and including fuel types used (b) Total fuel consumption from renewable sources, in joules or multiples, and including fuel types used (c) In joules, watt-hours or multiples, the total: electricity consumption; heating consumption; cooling consumption; steam consumption (d) In joules, watt-hours or multiples, the total: electricity sold; heating sold; cooling sold; steam sold (e) Total energy consumption in joules or multiples (f) Standards, methodologies, assumptions and/or calculation tools used (g) Source of the conversion factors used	41
302-2 Energy consumption outside of the organisation: (a) Energy consumption outside the organisation, in joules or multiples (b) Standards, methodologies, assumptions and/or calculation tools used (c) Source of the conversion factors used	Not reported
302-3 Energy intensity: (a) Energy intensity ratio for the organisation (b) Organisation-specific metric chosen to calculate the ratio (c) Types of energy included in the intensity ratio: whether fuel, electricity, heating, cooling, steam, or all (d) Whether the ratio used energy consumption within the organisation, outside of it, or both	41
302-4 Reduction of energy consumption: (a) Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples (b) Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all (c) Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it (d) Standards, methodologies, assumptions and/or calculation tools used	41
302-5 Reductions in energy requirements of products and services: (a) Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples (b) Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it (c) Standards, methodologies, assumptions, and/or calculation tools used	41
GRI 303: Water and Effluents	
303-1 Interaction with water as a shared resource: (a) Description of how the organisation interacts with water, including how and where water is withdrawn, consumed, and discharged, and the water-related impacts the organisation has caused or contributed to, or that are directly linked to its operations, products, or services by its business relationships (e.g., impacts caused by runoff) (b) Description of the approach used to identify water-related impacts, including the scope of assessments, their timeframe, and any tools or methodologies used (c) Description of how water-related impacts are addressed, including how the organisation works with stakeholders to steward water as a shared resource, and how it engages with suppliers or customers with significant water-related impacts (d) Explanation of the process for setting any water-related goals and targets that are part of the organisation's approach to managing water and effluents, and how they relate to public policy and the local context of each area with water stress	38 and 39, 41

Disclosure	Reference
GRI 303: Water and Effluents	
303-2 Management of water discharge-related impacts: Description of any minimum standards set for the quality of effluent discharge, and how these minimum standards were determined, including: how standards for facilities operating in locations with no local discharge requirements were determined; any internally developed water quality standards or guidelines; any sector-specific standards considered; whether the profile of the receiving waterbody was considered	40 – 47
303-3 Water withdrawal: (a) Total water withdrawal from all areas in mega-litres and a breakdown of this total by the following sources, if applicable: surface water; groundwater; seawater; produced water; third-party water (b) Total water withdrawal from all areas with water stress in mega-litres and a breakdown of this total by the following sources, if applicable: surface water; groundwater; seawater; produced water; third party water, and a breakdown of this total by the withdrawal sources listed before (c) Breakdown of total water withdrawal from each of the sources listed in disclosures 303-3-a and 303-3-b in mega-litres by the following categories: freshwater (< 1 000 mg/L Total Dissolved Solids); other water (> 1 000 mg/L Total Dissolved Solids) (d) Any contextual information necessary to understand how the data has been compiled such as any standards, methodologies, and assumptions used	40 – 47
303-4 Water discharge: (a) Total water discharge to all areas in mega-litres, and a breakdown of this total by the following types of destination, if applicable: surface water; groundwater; seawater; third-party water, and the volume of this sent for use to other organisations, if applicable (b) Breakdown of total water discharge to all areas in mega-litres by the following categories: freshwater; other water (c) Total water discharge to all areas with water stress in mega-litres, and a breakdown of this total by the following categories: freshwater; other water (d) Priority substances of concern for which discharges are treated, including: how priority substances of concern were defined, and any international standard, authoritative list, or criteria used; the approach for setting discharge limits for priority substances of concern; number of incidents of non-compliance with discharge limits (e) Any contextual information necessary to understand how the data has been compiled, such as standards, methodologies, and assumptions used	40 – 47
303-5 Water consumption: (a) Total water consumption from all areas in mega-litres (b) Total water consumption from all areas with water stress in mega-litres (c) Change in water storage in mega-litres, if water storage has been identified as having a significant water-related impact (d) Any contextual information necessary to understand how the data has been compiled, such as any standards, methodologies, and assumptions used, including whether the information is calculated, modelled, or sources from direct measurements and the approach taken for this, such as the use of any sector-specific factors	41
GRI 304: Biodiversity	
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas: (a) For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information: geographic location; subsurface and underground land that may be owned, leased, or managed by the organisation; position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas; type of operation (office, manufacturing or production, or extractive); size of operational site in km² (or another unit, if appropriate); biodiversity value characterised by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater or maritime ecosystem); biodiversity value characterised by listing of protected status	37 – 40
304-2 Significant impacts of activities, products and services on biodiversity: (a) Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following: construction or use of manufacturing plants, mines, and transport infrastructure; pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources); introduction of invasive species, pests, and pathogens; reduction of species; habitat conservation; changes in ecological processes outside the nature range of variation (such as salinity or changes in groundwater level) (b) Significant direct and indirect positive and negative impacts with reference to the following: species affected; extent of areas impacted; duration of impacts; reversibility or irreversibility of the impacts	37 – 40

Disclosure	Reference
GRI 304: Biodiversity	
304-3 Habitats protected or restored: (a) Size and location of all habitat areas protected or restored and whether the success of the restoration measure was or is approved by independent external professionals (b) Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organisation has overseen and implemented restoration or protection measures (c) Status of each area based on its condition at the close of the reporting period (e) Standards, methodologies, and assumptions used	37 – 40
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations: Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations by level of extinction risk: critically endangered; endangered; vulnerable; never threatened; least concern	37 – 40
GRI 305: Emissions	
305-1 Direct (Scope 1) GHG emissions: (a) Gross direct (Scope 1) GHG emissions in metric tonnes of CO2 or equivalent (b) Gases included in the calculation (c) Biogenic CO2 emissions in metric tonnes of CO2 equivalent (d) Base year for the calculation, if applicable, including: the rationale for choosing it; emissions in the base year; the context for any significant changes in emissions that triggered recalculations of base year emissions (e) Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source (f) Consolidation approach for emissions; whether equity share, financial control, or operational control (g) Standards, methodologies, assumptions, and/or calculation tools used	41
305-2 Energy indirect (Scope 2) GHG emissions: As required in 305-1	Not reported
305-3 Other indirect (Scope 3) GHG emissions: As required in 305-1	Not reported
305-4 Emissions intensity: (a) GHG emissions intensity ratio for the organisation (b) Organisation-specific metric (denominator) chosen to calculate the ratio (c) Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 3), and/or other indirect (Scope 3) (d) Gases included in the calculation	41
305-5 Reduction of GHG emissions: (a) GHG emissions reduced as a direct result of reduction interventions, in metric tonnes of CO2 equivalent (b) Gases included in the calculation (c) Base year or baseline, including the rationale for choosing it (d) Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3) (e) Standards, methodologies, assumptions, and/or calculation tools used	41
305-6 Emissions of ozone-depleting substances (ODS): (a) Production, imports and exports of ODS in metric tonnes of CFC-11 equivalent (b) Substances included in the calculation (c) Source of the emission factors used (d) Standards, methodologies, assumptions, and/or calculations used	Not reported
305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions: (a) Significant air emissions, in kilograms or multiples, for each of the following: NOx; SOx; persistent organic pollutants; volatile organic compounds; hazardous air pollutants; particulate matter; other standard categories of air emissions identified in relevant legislation (b) Source of the emission factors used (c) Standards, methodologies, assumptions, and/or calculation tools used	Not reported
GRI 306: Effluents and Waste	
306-1 Waste generation and significant waste-related impacts: For significant actual and potential waste-related impacts, a description of: the inputs, activities, and outputs that lead or could lead to these impacts; whether these impacts relate to waste generated in the organisation's own activities or to waste generated upstream or downstream in its value chain	40 – 47
306-2 Management of significant waste-related impacts: (a) Actions, including circularity measures, taken to prevent waste generation in the organisation's own activities and upstream and downstream in its value chain, and to manage significant impacts from waste generated (b) If the waste generated by the organisation in its own activities is managed by a third party, a description of the processes used to determine whether the third party manages the waste in line with contractual or legislative obligations (c) The processes used to collect and monitor waste-related data	40 – 47
306-3 Significant spills (2016 standard): (a) Total number and volume of recorded significant spills (b) Additional information for each spill that was reported in the financial statements: location of spill; volume of spill; material of spill, categorised by: oil spills, fuel spills, spills of wastes, spills of chemicals, other (all whether soil or water surfaces) (c) Impacts of significant spills	47

Disclosure	Reference
GRI 306: Effluents and Waste	
306-3 (2018) Waste generated: (a) Total weight of waste generated in metric tonnes, and a breakdown of this total by composition of the waste (b) Contextual information necessary to understand the data and how the data has been compiled	40 – 47
306-4 Waste diverted from disposal: (a) Total weight of waste diverted from disposal in metric tonnes, and a breakdown of this total by composition of the waste (b) Total weight of hazardous waste diverted from disposal in metric tonnes, and a breakdown of this total by the following recovery operations: preparation for reuse; recycling; other recovery operations (c) Total weight of non-hazardous waste diverted from disposal in metric tonnes, and a breakdown of this total by the following recovery operations: preparation for reuse; recycling; other recovery operations (d) For each of the recovery operations listed in disclosures 306-4-b and 306-4-c a breakdown of the total weight in metric tonnes of hazardous waste and non-hazardous waste diverted from disposal: onsite; offsite (e) Contextual information necessary to understand the data and how the data has been compiled	40 – 47
306-5 Waste directed to disposal: (a) Total weight of waste directed to disposal in metric tonnes, and a breakdown of this total by composition of the waste (b) Total weight of hazardous waste directed to disposal in metric tonnes, and a breakdown of this waste by the following disposal operations: incineration (with energy recovery); incineration (without energy recovery); landfilling; other disposal operations (c) Total weight of non-hazardous waste directed to disposal in metric tonnes, and a breakdown of this waste by the following disposal operations: incineration (with energy recovery); incineration (without energy recovery); landfilling; other disposal operations (d) For each disposal operation listed in disclosures 306-5-b and 306-5-c, a breakdown of the total weight in metric tonnes of hazardous waste and of non-hazardous waste directed to disposal: onsite; offsite (e) Contextual information necessary to understand the data and how the data has been compiled	40 – 47
GRI 308: Supplier Environmental Assessment	
308-1 New suppliers that were screened using environmental criteria: Percentage of new suppliers that were screened using environmental criteria	58 and 59
308-2 Negative environmental impacts in the supply chain and actions taken: (a) Number of suppliers assessed for environmental impacts (b) Number of suppliers identified as having significant actual and potential negative environmental impacts (c) Significant actual and potential negative environmental impacts identified in the supply chain (d) Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment (e) Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why	58 and 59
GRI 401: Employment	
401-1 New employee hires and employee turnover: (a) Total number and rate of new employee hires during the reporting period, by age group, gender and region (b) Total number and rate of employee turnover during the reporting period, by age group, gender and region	64 and 65
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees: (a) Benefits which are standard for full-time employees but are not provided to temporary or part-time employees by significant locations of operation, including, as a minimum: life insurance; health care; disability and invalidity coverage; parental leave; retirement provision; stock ownership; others (b) The definition used for 'significant locations of operation'	65 – 67*
401-3 Parental leave: (a) Total number of employees that were entitled to parental leave, by gender (b) Total number of employees that took parental leave, by gender (c) Total number of employees that returned to work in the reporting period after parental leave ended, by gender (d) Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender (e) Return to work and retention rates of employees that took parental leave, by gender	65 – 67*

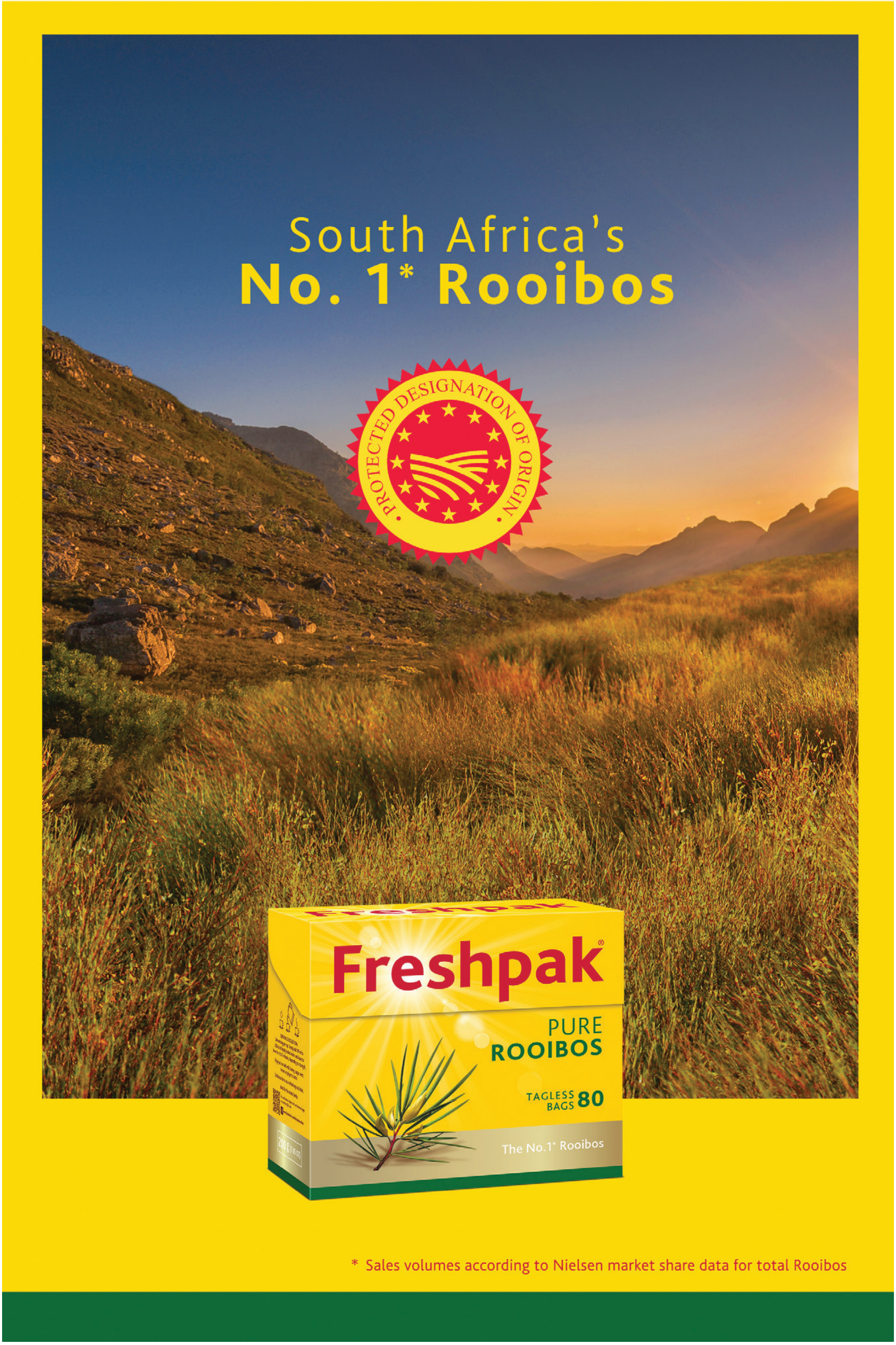
Disclosure	Reference
GRI 403: Occupational Health and Safety	
403-1 Occupational health and safety management system: (a) Statement of whether an occupational health and safety management system has been implemented, including whether: the system has been implemented because of legal requirements and, if so, a list of the requirements; the system has been implemented based on recognised risk management and/or management system standards/guidelines and, if so, a list of the standards/guidelines (b) A description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered	65 – 67*
403-2 Hazard identification, risk assessment, and incident investigation: (a) Description of the processes used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimise risks, including: how the organisation ensures the quality of these processes, including the competency of persons who carry them out; how the results of these processes are used to evaluate and continually improve the occupational health and safety management system (b) Description of the processes for workers to report work-related hazards and hazardous situations, and an explanation of how workers are protected against reprisals (c) Description of the policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health, and an explanation of how workers are protected against reprisals (e) Description of the processes used to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the hierarchy of controls, and to determine improvements needed in the occupational health and safety management system	67 and 68*
403-3 Occupational health services: Description of the occupational health services' functions that contribute to the identification and elimination of hazards and minimisation of risks, and an explanation of how the organisation ensures the quality of these services and facilitates workers' access to them	67 and 68*
403-4 Worker participation, consultation, and communication on health and safety: (a) Description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety (b) Where formal joint management-worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees	67 and 68*
403-5 Worker training on occupational health and safety: Description of any occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations	67 and 68*
403-6 Promotion of worker health: (a) Explanation of how the organisation facilitates worker access to non-occupational medical and healthcare facilities, and the scope of access provided (b) Description of any voluntary health promotion services and programmes offered to workers to address major non-work-related health risks, including the specific health risks addressed, and how the organisation facilitates worker access to these services and programmes	67 and 68*
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships: Description of the organisation's approach to preventing or mitigating significant negative occupational health and safety impacts that are directly linked to its operations, products, or services by its business relationships, and the related hazards and risks	67 and 68*
403-8 Workers covered by an occupational health and safety management system: (a) If the organisation has implemented an occupational health and safety management system based on legal requirements and/or recognised standards/guidelines: the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organisation, who are covered by such a system; the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organisation, who are covered by such a system that has been internally audited; the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organisation, who are covered by such a system that has been audited or certified by an external party (b) Whether and, if so, why any workers have been excluded from this disclosure, including the types of workers excluded (c) Any contextual information necessary to understand how the data has been compiled, such as any standards, methodologies, and assumptions used	67 and 68*

Disclosure	Reference
GRI 403: Occupational Health and Safety	
403-9 Work-related injuries: (a) For all employees: number and rate of fatalities as a result of work-related injuries; number and rate of high consequence work-related injuries (excluding fatalities); number and rate of recordable work-related injuries; main types of work-related injuries; and number of hours worked (b) For all workers who are not employees but whose work and/or workplace is controlled by the organisation: number and rate of fatalities as a result of work-related injuries; number and rate of high consequence work-related injuries (excluding fatalities); number and rate of recordable work-related injuries; main types of work-related injuries; and number of hours worked (c) Work-related hazards that pose a risk of high-consequence injury, including: how those hazards are determined; which of these hazards have caused or contributed to high-consequence injuries during the reporting period; actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls (d) Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls (e) Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked (f) Whether and, if so, why any workers have been excluded from this disclosure, including the type of worker excluded (g) Any contextual information necessary to understand how the data has been compiled, such as any standards, methodologies, and assumptions used	67 and 68*
403-10 Work-related ill health: (a) For all employees: number of fatalities as a result of work-related ill health; number of cases of recordable work-related ill health; main types of work related ill health (b) For all workers who are not employees but whose work and/or workplace is controlled by the organisation: number of fatalities as a result of work-related ill health; number of cases of recordable work-related ill health; main types of work related ill health (c) Work-related hazards that pose a risk of ill health, including: how these hazards have been determined; which of these hazards have caused or contributed to cases of ill health during the reporting period; actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls (d) Whether and, if so, why any workers have been excluded from this disclosure, including the type of worker excluded (e) Any contextual information necessary to understand how the data has been compiled, such as any standards, methodologies, and assumptions used	67 and 68*
GRI 404: Training and Education	
404-1 Average hours of training per year per employee: Average hours of training that the organisation's employees have undertaken during the reporting period, by: gender; employee category	57 and 58
404-2 Programmes for upgrading employee skills and transition assistance programmes: (a) Type and scope of programmes implemented and assistance provided to upgrade employee skills (b) Transition assistance programmes provided to facilitate continued employment and the management of career endings resulting from retirement or termination of employment	57 and 58
404-3 Percentage of employees receiving regular performance and career development reviews: Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period	57 and 58
GRI 405: Diversity and Equal Opportunity	
405-1 Diversity of governance bodies and employees: (a) Percentage of individuals within the organisation's governance bodies in each of the following diversity categories: gender; age group (under 30 years; 30-50 years old; over 50 years old); other indicators of diversity where relevant (such as minority or vulnerable groups) (b) Percentage of employees per employee category in each of the following diversity categories: gender; age group (under 30 years; 30-50 years old; over 50 years old); other indicators of diversity where relevant (such as minority or vulnerable groups)	56 and 57, 64 and 65
405-2 Ratio of basic salary and remuneration of women to men: (a) Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation (b) The definition used for 'significant locations of operation'	Not reported*
GRI 406: Non-Discrimination	
406-1 Incidents of discrimination and corrective actions taken: (a) Total number of incidents of discrimination during the reporting period (b) Status of the incidents and action taken with reference to the following: incident reviewed by the organisation; remediation plans being implemented; remediation plans that have been implemented, with results reviewed through routine internal management review processes; incident no longer subject to action	None

Disclosure	Reference
GRI 407: Freedom of Association and Collective Bargaining	
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk: (a) Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of: type of operation and supplier; countries or geographic areas with operations and suppliers considered at risk (b) Measures taken by the organisation in the reporting period intended to support rights to exercise freedom of association and collective bargaining	58 and 59, 64 – 67*
GRI 408: Child Labour	
408-1 Operations and suppliers at significant risk for incidents of child labour: (a) Operations and suppliers considered to have significant risk for incidents of: child labour; young workers exposed to hazardous work (b) Operations and suppliers considered to have significant risk for incidents of child labour either in terms of: type of operation and supplier; countries or geographic areas with operations and suppliers considered at risk (c) Measures taken by the organisation in the reporting period intended to support rights to contribute to the effective abolition of child labour	58 and 59, 64 – 67*
GRI 409: Forced or Compulsory Labour	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour: (a) Operations and suppliers considered to have significant risk for incidents of forced or compulsory labour either in terms of: type of operation and supplier; countries or geographic areas with operations and suppliers considered at risk (b) Measures taken by the organisation in the reporting period intended to support rights to contribute to the elimination of all forms of forced or compulsory labour	58 and 59, 64 – 67*
GRI 410: Security Practices	
410-1 Security personnel trained in human rights policies or procedures: (a) Percentage of security personnel who have received formal training in the organisation's human rights policies or specific procedures and their application to security (b) Whether training requirements also apply to third-party organisations providing security personnel	64 – 67*
GRI 411: Rights of Indigenous Peoples	
411-1 Incidents of violations involving rights of indigenous people: (a) Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period (b) Status of the incidents and actions taken with reference to the following: incident reviewed by the organisation; remediation plans being implemented; remediation plans that have been implemented, with results reviewed through routine internal management review process; incident no longer subject to action	Not reported*
GRI 413: Local Communities	
413-1 Operations with local community engagement, impact assessments, and development programmes: Percentage of operations with implemented local community engagement, impact assessments, and/or development programmes, including the use of: social impact assessments, including gender impact assessments, based on participatory processes; environmental impact assessments and ongoing monitoring; public disclosure of results of environmental and social impact assessments; local community development programmes based on local communities' needs; stakeholder engagement plans based on stakeholder mapping; broad based local community consultation committees and processes that include vulnerable groups; works councils, occupational health and safety committees, and other workers representation bodies to deal with impacts; formal local community grievance processes	32 – 82
413-2 Operations with significant actual and potential negative impacts on local communities: Operations with significant actual and potential negative impacts on local communities, including: the location of the operations; the significant actual and potential negative impacts of operations	32 – 82
GRI 414: Supplier Social Assessment	
414-1 New suppliers that were screened using social criteria: Percentage of new suppliers that were screened using social criteria	58 and 59

Disclosure	Reference
GRI 414: Supplier Social Assessment	
414-2 Negative social impacts in the supply chain and actions taken: (a) Number of suppliers assessed for social impacts (b) Number of suppliers identified as having significant actual and potential negative social impacts (c) Significant actual and potential negative social impacts identified in the supply chain (d) Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment (e) Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why	58 and 59
GRI 415: Public Policy	
415-1 Political contributions: (a) Total monetary value of financial and in-kind political contributions made directly and indirectly by the organisation by country and recipient/beneficiary (b) If applicable, how the monetary value of in-kind contributions was estimated	36
GRI 416: Customer Health and Safety	
416-1 Assessment of the health and safety impacts of products and service categories: Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	47 and 48
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services: (a) Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and/or services within the reporting period, by: incidents of non-compliance with regulations resulting in a fine or penalty; incidents of non-compliance with regulations resulting in a warning; incidents of non-compliance with voluntary codes (b) If the organisation has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient	47 and 48
GRI 417: Marketing and Labelling	
417-1 Requirements for product and service information and labelling: (a) Whether each of the following types of information is required by the organisation's procedures for product and service information and labelling: sourcing of components of the product or service; content, particularly with regard to substances that might produce an environmental or social impact; safe use of the product or service; disposal of the product and environmental or social impacts; other (explain) (b) Percentage of significant product or service categories covered by and assessed for compliance with such procedures	47 and 48
417-2 Incidents of non-compliance concerning product and service information and labelling: (a) Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling, by: incidents of non-compliance with regulations resulting in a fine or penalty; incidents of non-compliance with regulations resulting in a warning; incidents of non-compliance with voluntary codes (b) If the organisation has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient	47 and 48
GRI 418: Customer Privacy	
418-1 Substantiated complaints concerning breaches of customer privacy and loss of customer data: (a) Total number of substantiated complaints received concerning breaches of customer privacy, categorised by: complaints received from outside parties and substantiated by the organisation; complaints from regulatory bodies (b) Total number of identified leaks, thefts, or losses of customer data (c) If the organisation has not identified any substantiated complaints, a brief statement of this fact is sufficient	36

* Comply with local legislation, including but not limited to, labour and employment legislation, collective agreements, consumer, product safety, and packaging legislation.


South Africa's
No. 1* Rooibos
PROTECTED DESIGNATION OF ORIGIN
Freshpak
PURE
ROOIBOS
TAGLESS BAGS 80
The No.1* Rooibos
* Sales volumes according to Nielsen market share data for total Rooibos

BOARD OF DIRECTORS

Simon L Crutchley (61)

Chief Executive Officer and executive director

Qualifications: BBusSci (UCT)

Directorships: AVI Limited

Simon was a co-founder of Otterbea International (Pty) Ltd, an international trading business based in South Africa. He was appointed managing director of Consol Limited in 1997 and oversaw the successful turnaround of that company. He joined the AVI Board in 1999, was appointed business development director in 2002 and Chief Executive Officer in October 2005.

Michael J Watters (65)

Independent non-executive director

Qualifications: Bachelor of Science (Civil Engineering) (University of Witwatersrand), Graduate Diploma (Project and Financial Management) (University of Witwatersrand), MBA (University of Cape Town)

Directorships: AVI Limited, Afine Investment Limited

Mike has over 36 years' business experience in both South African and international markets. He served as CEO of RDI REIT PLC, a dual listed (LSE/JSE) property investment company from 2006 until his retirement in 2020. He has held managerial roles in the Corporate Finance Division of Standard Corporate and Merchant Bank; Nels-Bliss Dairy Group, Pegasus III, a subsidiary of Anglo American Property Services and the Corovest Property Group, a subsidiary of Coronation Capital. He has also held numerous non-executive directorships of listed companies in SA, UK and Australia. Mike was appointed to the AVI Board on 1 June 2023 and was appointed the Chairman of the Board on 1 July 2023.

Justin C O'Meara (46)

Chief Financial Officer and executive director

Qualifications: BCom Acc (UJ), BCom Acc Hons (UJ), CA(SA)

Directorships: AVI Limited

Justin is a qualified Chartered Accountant. He completed his articles at KPMG in 2003 whereafter he was employed as Audit Manager and Senior Audit Manager. Justin joined the AVI Group in 2009 as the NBL Finance Executive, subsequently being promoted to: AVI Group Financial Manager (2010), Snackworks Financial Director (2015), and NBL Financial Director (2017). Justin was appointed to the AVI Board as Chief Financial Officer on 1 January 2022.

Michael Koursaris (47)

Business Development Director and executive director

Qualifications: BCom Finance (Hons), HDip Com Law (Wits), MBA (Columbia), CFA

Directorships: AVI Limited

Michael joined AVI in 2002 as business development analyst and was appointed to the role of business development executive in January 2011. Prior to joining AVI Michael held the position of associate at New York headquartered financial management consultancy Stern Stewart and Co., working in its Johannesburg office from 1999 to 2002. Michael was appointed to the AVI Board on 9 September 2013.

Alexandra Muller (48)

Independent non-executive director

Qualifications: BAcc, BAcc (Honours) (UNISA), CA(SA)

Directorships: AVI Limited, Infiniti Insurance Limited, Murray and Roberts Holdings Limited

Alex completed her articles at PwC in 2003. She joined the PwC partnership in 2010 until February 2019. Since 2014, Alex was responsible for heading up the Governance, Risk and Internal Audit practice in the Financial Services Assurance division at PwC. Alex was appointed to the AVI Board on 1 July 2019.

Steven G Robinson (65)

Independent non-executive director

Qualifications: Bachelor of Accounting Science (Hons) (UNISA), Higher Diploma in Computer Audit (University of Witwatersrand), CA(SA)

Directorships: AVI Limited, Rödl & Partner (Pty) Ltd and Poplars Investments (Pty) Ltd

Steve joined PA Becker & Company in 1981 as a trainee Chartered Accountant and was admitted to the partnership in 1991. After the PA Becker merger with KPMG in 1992, he became an audit partner in the Industrial, Automotive, and Pharmaceutical business unit. Steve was the audit partner on several high profile clients and acted as the engagement quality review partner on a number of large listed companies. Steve has 30 years of experience as an audit partner. Steve was appointed to the AVI Board on 1 March 2023.

Maserame R Mouyeme (58)

Independent non-executive director

Qualifications: Bachelor of Social Sciences and Graduate Diploma (University of Cape Town), MBA (University of West London), Executive Leadership Development Program (Harvard University)

Directorships: AVI Limited, Shandurwa (Pty) Ltd, ForAfrica NPC and Nahana Group

Maserame is a seasoned business professional with experience across various industries in Sub-Sahara Africa. Some of the multinationals she served include Old Mutual, Coca-Cola Africa, Unilever, and Kellogg's. Maserame was appointed to the AVI Board on 1 August 2023.

Valerie A Davies (61)

Independent non-executive director

Qualifications: Chartered Accountant (South Africa), B Com Honours (Rhodes University), Certificate in the Theory of Accounting (Rhodes University), Higher Diploma in Taxation (University of Witwatersrand)

Directorships: AVI Limited

Val has almost 40 years of business experience in a global professional services firm. During her tenure as an Executive Committee member of EY Africa, she occupied numerous leadership positions, including as Africa Chief Operating Officer and subsequently as Africa Risk Leader, until her retirement in June 2023. Her portfolio included senior executive rewards and remuneration. Val was appointed to the AVI Board on 1 June 2024.

CORPORATE GOVERNANCE REPORT

Framework

AVI Limited ("the Company") is a public company incorporated in South Africa under the provisions of the Companies Act 71 of 2008, as amended and the Regulations thereto ("the Companies Act") and is listed on the JSE Limited ("the JSE").

The Company's Board of directors ("the Board") is committed to ensuring that the Company is governed appropriately. The Board recognises the responsibility of the Company to conduct its affairs with prudence, transparency, accountability, fairness and in a socially and environmentally responsible manner. The Board is satisfied that the Company complies with the provisions of the Companies Act, the JSE Listings Requirements, the Company's Memorandum of Incorporation, and the principles of the Code of Corporate Governance Principles and Practices as recommended in the King IV Report on Governance for South Africa 2016 ("King IV").

Board governance structure

The general powers of the Board and the directors are conferred in the Company's Memorandum of Incorporation. Terms of reference for the Board are set out in the Company's Board charter which is reviewed periodically. The charter covers the powers and authority of the Board and provides a clear and concise overview of the responsibilities and accountability of Board members, collectively and individually. It includes the policy and procedures for appointments to the Board as assisted by the Remuneration, Nomination and Appointments Committee. Appointments to the Board are done in a formal and transparent manner and are a matter for the Board as a whole. The Board charter is available on request from the Company Secretary.

To ensure conflicts of interest are avoided Board members annually provide a general disclosure of their personal financial interests in terms of Section 75 of the Companies Act 2008, and are reminded at the commencement of each Board and Board committee meeting that they are required to declare any material personal financial interests that they may have in contracts entered into or authorised by the Company or in any matters to be discussed at the meeting, as well as any changes to their interests as previously declared.

The Board has adopted a unitary structure and no individual member of the Board has unfettered powers of decision making. The responsibility for running the Board and executive responsibility for the conduct of the business are differentiated in the Board charter. Accordingly, the roles of the Chairman of the Board and of the Chief Executive Officer are separated, with Mike Watters and Simon Crutchley, respectively, holding these positions for the year under review. Steve Robinson is the Lead Independent director.

Directorate

During the year under review the Board comprised three executive directors and five non-executive directors. All the non-executive directors are independent as defined by King IV and have the required knowledge, skills, and independence of thought to pass sound judgement on the key issues relevant to the business of the Company, independently of the Company's management. Tailored induction programmes are run to familiarise newly appointed directors with the Group's operations. Particulars of the directors are set out in the Board of directors' section of this Integrated Annual Report.

Abe Thebyane resigned as a non-executive director with effect from 30 April 2024. Val Davies was appointed to the Board as an independent non-executive director and as the Chair of the Remuneration, Nomination and Appointments Committee with effect from 1 June 2024.

As required by paragraph 3.84(i) of the JSE Listings Requirements, the Board has adopted a formalised policy on the promotion of broader diversity at Board level. The Nomination Committee considers the policy when recommending the appointment of directors to the Board.

At least one-third of the Board's members retire each year at the Annual General Meeting in terms of the Company's Memorandum of Incorporation. Retiring directors are eligible for re-election.

Board and director assessment

The Board is required to assess its performance against its charter on an annual basis. The assessment was done and it was found that in all material respects the Board had complied with the applicable requirements. The Chairman continued to monitor and manage the participation of the Board's members, and considered the development requirements, if any, of each director.

In addition, during the year under review, the Board independently considered the independence of the Chairman and the Lead Independent director. The Chairman and the Lead Independent director did not participate in the Board's discussions regarding their own independence.

Board meetings

During the year under review the Board met formally on four occasions to conduct the normal business of the Company. Attendance at these meetings is summarised in the table below.

Name	01/09/2023	15/11/2023	01/03/2024	12/06/2024
MJ Watters	√	√	√	√
SL Crutchley	√	√	√	√
JC O'Meara	√	√	√	√
VA Davies				√
M Koursaris	√	√	√	√
MR Mouyeme	√	√	√	√
A Muller	√	√	√	√
SG Robinson	√	√	√	√
AM Thebyane	√	√	√	

Key:
√ = in attendance; X = not in attendance;
■ = resigned; ■ = not a member

At the meeting held on 12 June 2024, the Board reviewed the performance of the Company's major subsidiaries and divisions for the past year and considered their objectives, strategies and budgeted performance for the year ahead.

Company Secretary

The Company Secretary for the year under review was Sureya Scheepers.

All directors have unlimited access to the advice and services of the Company Secretary, who is accountable to the Board for ensuring that Board procedures are complied with and that sound corporate governance and ethical principles are adhered to.

The Company Secretary's principal responsibilities to the Board and to individual directors are to:

- Guide them in the discharge of their duties, responsibilities and powers;
- Provide information, advice and education on matters of ethics and good governance; and
- Ensure that their proceedings and affairs, and those of the Company, are properly administered in compliance with all relevant legislation and regulations, in particular the Companies Act 2008 and the JSE Listings Requirements.

As required by the JSE Listings Requirements, the Board assessed and satisfied itself at the Board meeting of 6 September 2024, as to the competence, qualifications and experience of the Company Secretary, and that she has maintained an arm's length relationship with the Board and the directors.

Board committees

The Board is assisted in the discharge of its duties and responsibilities by the Audit and Risk Committee, the Remuneration, Nomination and Appointments Committee, and the Social and Ethics Committee. The ultimate responsibility at all times for Board duties and responsibilities, however, resides with the Board and it does not abdicate its responsibilities to these committees.

These committees act within formalised terms of reference which have been approved by the Board and which reflect the Company's application, where appropriate, of the principles embodied in King IV, the statutory requirements of the Companies Act and the JSE Listings Requirements. The terms of reference set out the committees' purpose, membership requirements, duties, and reporting procedures. Relevant legislative requirements, such as those incorporated in the Companies Act, are incorporated in the committee charters. Board committees, and the members thereof, may take independent professional advice at the Company's expense.

When appropriate, ad hoc committees are formed to facilitate the achievement of specific short-term objectives.

There is full disclosure, transparency and reporting from these committees to the Board at each Board meeting, and the chairpersons of the committees attend the Annual General Meeting to respond to relevant shareholder queries.

Audit and Risk Committee ("Audit Committee")

During the year under review the Audit Committee comprised Steve Robinson (the Chairman), Maserame Mouyeme and Alex Muller, all of whom are independent non-executive directors. Maserame Mouyeme was appointed to the Committee with effect from 1 August 2023. In compliance with the Companies Act, shareholders will be asked at the Annual General Meeting on 12 November 2024 to elect the members of the Audit Committee.

The Company's external auditors, the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the Group's head of internal audit and other senior executives attend the Audit Committee meetings by invitation.

Each operating subsidiary has an internal review committee which monitors risk management and compliance activities. These committees are chaired by the Company's Chief Financial Officer and meet at least twice a year with the external auditors and the Group's head of internal audit, with the relevant financial and managing directors in attendance. Audit Committee members can attend the subsidiary internal review meetings by open invitation. There is a formal reporting line from the various internal review committees into the Audit Committee via the Company's Chief Financial Officer.

The Audit Committee met formally twice during the year under review. The attendance of the members is reflected in the table below:

Name	31/08/2023	29/02/2024
SG Robinson	√	√
MR Mouyeme	√	√
A Muller	√	√

Key:
√ = in attendance

The Audit Committee is responsible for the consideration of key financial and operating control risks and in particular assists the Board in the following matters:

- Monitoring the financial reporting process;
- Recommending the appointment of an independent registered auditor, determining the terms of engagement and approving fees for audit and non-audit work undertaken;
- Monitoring the operation and effectiveness of internal control systems, including information technology controls;
- Overseeing the internal audit function, monitoring its effectiveness, and reviewing corrective action in relation to findings;
- Overseeing the implementation and effective operation of a structured risk management process that incorporates insurance, health and safety, and environmental issues;
- Implementing sound corporate governance policies;
- Reviewing and recommending to the Board for approval the interim and annual financial statements, the going concern status of the Company, interim and final dividends and other special payments to shareholders; and
- Considering and satisfying itself, on an annual basis, of the expertise and experience of the Chief Financial Officer.

Shareholders will be requested to approve the appointment of Ernst & Young Inc. as the Company's external auditors at the Company's Annual General Meeting on 12 November 2024. With specific reference to the non-audit services provided by the external auditor, and at the recommendation of the Audit Committee, the Board has resolved that the auditors shall not:

- Function in the role of management;
- Audit their own work; and
- Serve in an advocacy role for the Company.

In accordance with the requirements of the Companies Act all non-audit specific service engagements with the external auditors were pre-approved by the Audit Committee.

During the year under review dedicated internal audit resources were provided via a service provision arrangement with KPMG Inc.

The Audit Committee discharged the functions ascribed to it in terms of the Companies Act and the JSE Listings Requirements as reported in the Directors' Report. It also complied in all material respects with its mandate and the responsibilities prescribed to it in the Audit Committee charter.

Remuneration, Nomination and Appointments Committee ("Remcom")

During the year under review the members of Remcom were Abe Thebyane, Mike Watters and Val Davies, all of whom are independent non-executive directors. Mike Watters was appointed as a member of Remcom with effect from 1 July 2023, Abe Thebyane resigned as the Chairman of Remcom with effect from 30 April 2024 and Val Davies was appointed the Chair of Remcom with effect from 1 June 2024. The Company's Chief Executive Officer, Business Development Director and Group Legal Executive attend relevant Remcom meetings by invitation.

Remcom met formally four times during the year under review and the attendance detail is reflected in the table below:

Name	01/08/2023	31/08/2023	14/11/2023	11/06/2024
AM Thebyane	√	√	√	
VA Davies				√
MJ Watters	√	√	√	√

Key:
√ = in attendance; X = not in attendance;
■ = resigned; ■ = not a member

Remcom assists the Board by overseeing the following matters:

- Ensuring that the Company's directors and the Group's senior executives are competitively rewarded for their individual contributions to the Group's overall performance. Remcom ensures that the remuneration of the senior executive members of the Group is set by a committee of Board members who have no personal interest in the outcomes of their decisions and who will give due regard to the interests of shareholders and to the financial and commercial health of the Company;
- Succession planning for, and approving the appointment of, senior executives within the Group;
- Assessing the performance of the Chief Executive Officer and reviewing his assessment of senior management's performance;
- Recommending an appropriate remuneration and reward framework (including salaries, benefits, share options and incentive schemes) to ensure that the Group's employees are appropriately engaged and retained. The framework includes guaranteed remuneration, short-term and long-term incentives, and benefits;
- Reviewing the composition of the Board and its committees with respect to size, diversity, skills and experience; and
- Recommending the appointment of directors to the Board and shareholders.

In the interests of efficiency, the Remuneration Committee and the Nomination Committee are combined. The Chairman of the Board chairs discussions pertaining to agenda items related to Nomination Committee matters.

Remcom complied in all material respects with its mandate and the responsibilities prescribed in its charter.

Social and Ethics Committee

During the year under review the Social and Ethics Committee comprised one independent non-executive director, namely Alex Muller (the Chair), as well as executive members, Simon Crutchley and Justin O'Meara. In addition, the Company's Chairman, Group Asset Protection Manager and Group Legal Executive attend the meetings by invitation.

The Social and Ethics Committee met formally twice during the year under review and the attendance detail is reflected in the table below:

Name	31/08/2023	29/02/2024
A Muller	√	√
SL Crutchley	√	√
JC O'Meara	√	√

The Social and Ethics Committee assists the Board in the following matters:

- Monitoring the Company's activities with regard to social and economic development; good corporate citizenship; the environment, health and public safety; consumer relationships; and labour and employment;
- Drawing matters within its mandate to the attention of the Board as the occasion requires;
- Ensuring that the Company's ethics are managed effectively; and
- Reporting to the shareholders at the Company's Annual General Meeting on the matters within its mandate.

The Social and Ethics Committee discharged the functions ascribed to it in terms of the Companies Act. It also complied in all material respects with its mandate and the responsibilities prescribed in its charter.

Dealings in JSE securities

The Company and its directors comply with the JSE Listings Requirements regarding trading in Company shares. In terms of the Company's closed-period policy, all directors and staff are precluded from dealing in Company shares during closed periods, namely from 31 December and 30 June of each year, until the release of the Group's interim and final results, respectively. The same arrangements apply to other closed periods declared during price sensitive transactions, for directors, officers and participants in the share incentive schemes and staff who may have access to price sensitive information. A pre-approval policy and process for all dealings in Company shares by directors and selected key employees is strictly followed. Details of directors' and the Company Secretary's dealings in Company shares are disclosed through the Stock Exchange News Service ("SENS") in accordance with the JSE Listings Requirements.

The Company Secretary regularly disseminates written notices to brief the directors, executives, and employees on insider trading legislation, and to advise them of closed periods.

Further, in accordance with the JSE Listings Requirements, the Company's non-disclosure and confidentiality agreement in use for suppliers and other third parties, contains provisions and undertakings regarding the disclosure of price sensitive information and insider trading.

Investor relations and communication with stakeholders

The Company identifies key stakeholders with legitimate interests and expectations relevant to the Company's strategic objectives and long-term sustainability, and strives to have transparent, open and clear communications with them. Reports, announcements and meetings with investment analysts and journalists, as well as the Company's website, are useful conduits for information. Further detail of these key stakeholders and the Company's engagements with them is set out in the Sustainable Development Report.

The Chairs of the Board and the Board committees are expected to attend the Company's Annual General Meeting, and shareholders can use this opportunity to direct any questions they may have. A summary of the proceedings of general meetings and the outcome of voting on the items of business is available on request.

Keeping abreast of legislative requirements

The Company's internal legal advisers keep the Company abreast of generic and industry specific legislative and regulatory developments, both pending and apparent, and ensure that the Board, management and employees are informed of and, where necessary, trained on these developments and the implementation thereof.

Participation in industry forums

The Company and its subsidiaries participate in various forums that represent the interests of an industry or sector of the economy, such as the South African Chamber of Commerce and Industry; Accelerate Cape Town; the Consumer Goods Council of South Africa; a number of fishing industry associations including the South African Deep-Sea Trawling Association; the Responsible Fisheries Alliance; the World Wildlife Fund's Southern African Sustainable Seafood Initiative; the Abalone Farmers' Association of South Africa; and the South African Midwater Trawling Association; the Cosmetic, Toiletry and Fragrance Association of South Africa; the South African Association for Food Science and Technology; the Restaurant Association; the Speciality Coffee Association of South Africa; the Aerosol Manufacturers' Association; the Institute of Packaging SA; the South African Rooibos Council; the Industrial Gas Users Association of South Africa; the South African Association of Freight Forwarders; and the Responsible Packaging Management Association of Southern Africa. Care is taken to ensure that proceedings at these forums do not contravene competition regulations.

King IV application register

In compliance with the JSE Listings Requirements, the Company discloses hereunder details pertaining to its compliance with the principles of King IV. In addition to these specific disclosures, statements are included throughout the Integrated Annual Report dealing with these principles.

Leadership, ethics and corporate citizenship

Principle 1: The governing body should lead ethically and effectively.

The Board operates within the powers conferred on it in the Memorandum of Incorporation and Board charter; bases deliberations, decisions and actions on strategic objectives and ethical and moral values; considers the legitimate interests of all stakeholders; and aligns its conduct to drive the Company's business accordingly.

The directors hold one another accountable for acting in the best interest of the Group. This entails the discharge of duties with integrity, competence, responsibility, accountability, fairness and transparency.

Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

The Board has adopted a Group Code of Conduct and Ethics, which is communicated internally and externally and the importance of ethical behaviour is emphasised in all of the Company's engagements. Ethical issues are considered by risk committees, internal review committees, the Company's Audit and Risk Committee and Social and Ethics Committee, and at Board level.

Mechanisms are in place for the reporting of instances of fraud, theft, corruption, unethical behaviour and irregularities. The Company's management is responsible for the implementation and execution of the Group Code of Conduct and Ethics and ongoing oversight of the management of ethics. Management will report material breaches to the Audit and Risk Committee, the Social and Ethics Committee and the Board.

Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.

The Board is responsible for economic, social and environmental performance and reporting, and the Company has credible and well-coordinated programmes in respect of social and environmental issues and stakeholder engagement.

The Social and Ethics Committee ensures that the Group's business operations are conducted in a manner that is sensitive to social, economic and environmental factors.

The Company maintains high standards of corporate governance and reporting.

Strategy, performance and reporting

Principle 4: The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

The Board determines the strategy and the long-term direction of the Company necessary for it to achieve its objectives as a business enterprise, whilst satisfying itself that the strategy and business plans are aligned with the purpose of the Company, the value drivers of the Company's business and the legitimate interests and expectations of the Company's stakeholders and do not give rise to risks that have not been thoroughly assessed by management. The Board annually reviews the Company's objectives, strategies, risks and performance.

Principle 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.

All corporate governance disclosures, integrated annual reports, annual financial statements and other reports, including press releases and SENS announcements, are published on the website and other platforms as required by legislation. Half-year financial results are also published in the press.

The Board, through the Audit Committee, ensures that the necessary controls are in place to verify and safeguard the integrity of the annual financial statements, interim reports and any other disclosures.

The Board and its committees review and approve the various reports that are included in the Integrated Annual Report.

Governing structures and delegation

Principle 6: The governing body should serve as the focal point and custodian of corporate governance in the organisation.

The Board is the focal point and custodian of corporate governance within the Group. The Board has adopted a Board charter that ensures its roles, responsibilities and accountability are documented and adhered to, which includes responsibilities relating to corporate governance. The Board is supported by its committees, which have delegated responsibilities.

Principle 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

The Remuneration, Nomination and Appointments Committee strives to maintain the optimal mix of knowledge, skills, experience, diversity and independence on the Board and its sub-committees. The Board has adopted a broader diversity policy, which the Nomination Committee considers when recommending the appointment of directors to the Board.

The Board comprises a majority of non-executive directors. All the non-executive directors are independent.

The Chair of the Board is an independent non-executive director.

Principle 8: The governing body should ensure that its arrangements for delegation within its own structures promote independent judgment, and assist with balance of power and the effective discharge of its duties.

The Board has delegated certain responsibilities, without abdicating responsibility, to the Audit and Risk Committee; the Remuneration, Nomination and Appointments Committee; the Social and Ethics Committee; and, from time to time, ad hoc committees are appointed to deal with specific matters. In particular, the functions of the Risk Committee are incorporated into the Audit and Risk Committee, and the functions of the Nomination Committee are incorporated into the Remuneration, Nomination and Appointments Committee.

Each committee operates under the Board approved terms of reference which set out the committee's role, responsibilities, authority, and composition.

The Board annually reviews the Board charter and the committees' terms of reference.

Principle 9: The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.

The Board, committees and directors are evaluated annually and the results of the evaluations of executive directors are considered in determining their remuneration and benefits.

Principle 10: The governing body should ensure that the appointment of, and delegation to, management contributes to role clarity and the effective exercise of authority and responsibilities.

The Board is responsible for the appointment of the Chief Executive Officer. The role and responsibilities of the Chief Executive Officer are set out in the Board charter. The Chief Executive Officer's notice period as stipulated in his employment contract is three months.

All Board authority conferred on management is delegated through the Chief Executive Officer, so that the authority and accountability of management is regarded as the authority and accountability of the Chief Executive Officer insofar as the Board is concerned. The Chief Executive Officer is responsible for leading the implementation and execution of the Group's strategy, policies and operational plans and reports to the Board.

The Board is satisfied that the delegation of authority framework sufficiently sets out the effective exercise of authority and responsibilities throughout the Group.

A Company Secretary has been appointed in compliance with the Companies Act, the JSE Listings Requirements and the recommendations of King IV.

Governance functional areas

Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.

In terms of the Board charter, the Board is responsible for the governance of risk, which is delegated to the Audit and Risk Committee but without abdicating the Board's responsibility. Risks are reviewed and prioritised by the Board on a regular basis.

Management has responsibility for implementation of the risk management plan in accordance with the Board approved policy and framework.

Management continuously identify, assess, mitigate, and manage risks as part of normal operational management processes.

Technology and information governance

Principle 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.

In terms of the Board charter, the Board is responsible for the governance of information technology ("IT").

Management has the responsibility for the implementation of the IT governance framework.

Management continues to prioritise the mitigation of cyber security risks.

Compliance governance

Principle 13: The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.

In terms of the Board charter, the Company is committed to compliance with applicable laws and the Company remains informed on and complies with all applicable laws, and considers adherence to relevant non-binding rules, codes, and standards.

Compliance risk forms part of the Company's risk management framework, the implementation of which is delegated to management and overseen by the Audit and Risk Committee.

The Social and Ethics Committee has also been mandated to monitor the effectiveness of compliance management.

There were no material penalties, sanctions, fines for contraventions of or non-compliance with regulations during the period under review.

Remuneration governance

Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

The Remuneration Report sets out the Company's remuneration and reward philosophy, policy and practices for non-executive directors, executive directors, executives, and senior managers. The Remuneration Report, including the implementation report and the remuneration policy, are set out on pages 95 to 111 of this Integrated Annual Report.

Shareholders approve non-executive directors' fees at the Company's Annual General Meeting.

The remuneration policy and implementation report will be placed before shareholders at the Company's Annual General Meeting for non-binding approval votes.

In the event that 25% or more of the voting rights exercised at the Annual General Meeting are cast against the remuneration policy or the implementation report, or both, the Board will invite dissenting shareholders to engage with the Company on their concerns, in line with the provisions of the JSE Listings Requirements.

Assurance

Principle 15: The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and the organisation's external reports.

The Board has established an internal audit function to assist the Audit and Risk Committee and the Board in exercising good corporate governance by providing independent, objective assurance that key operating and financial risks are adequately identified, managed, and controlled by risk management, internal control and governance processes put in place by management. The internal audit function is outsourced to an independent professional firm.

The assurance activities of management, internal and external audit are coordinated with each other, with the relationship between the external assurers and management monitored by the Audit and Risk Committee.

Stakeholder relationships

Principle 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders with the best interests of the organisation over time.

Stakeholder engagement is an important aspect of the Company's responsibilities and it formally identifies and recognises material stakeholders with legitimate interests with whom it engages on relevant issues.

Management is responsible for proactively dealing with stakeholder relationships and engagements.

All holders of the same class of shares, including minorities, are treated equitably in accordance with the preferences, rights, limitations and other terms applicable to such shares and any other relevant provisions of the Companies Act and the JSE Listings Requirements.

Disputes with stakeholders are addressed in the appropriate forum and steps are taken to ensure that such disputes are resolved as effectively, efficiently and expeditiously as possible.

The Company communicates with stakeholders in a variety of forms as more fully set out in this Integrated Annual Report on pages 34 and 35.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REMUNERATION REPORT

In order to align this report to the King IV Code on Corporate Governance for South Africa ("King Code"), the report consists of three parts, namely this background statement, an overview of the Company's remuneration policy, and an implementation report.

PART 1: BACKGROUND STATEMENT

A critical factor in AVI's sustained progress over many years has been the Company's ability to attract and retain a community of competent senior managers in a highly competitive skills market. This has been fostered by the application of a remuneration framework that aligns management with shareholders and provides sufficient financial reward to motivate and retain them.

With an ever-increasing focus on executive remuneration and many different views on what is acceptable or not, it is impossible to fully meet every shareholder's expectations within a single framework, sometimes leading to a lack of support for changes or the remuneration policy as a whole because of relatively small differences in views. The remuneration and reward policy and philosophy are reviewed annually by the Remuneration Committee ("Remcom"), account is taken of feedback received from shareholders, and changes are made as appropriate. During the year under review, Remcom was concerned that the policy was not achieving its stated objectives insofar as executive reward and retention were concerned. To address these concerns, Remcom carefully considered and approved two new full value cash-settled phantom share schemes, one for AVI Corporate and Shared Services employees, and one for Business Unit employees. This was done with regard to the need to attract, retain, and motivate executive directors and senior executives of the quality required to successfully drive the Group's objectives, whilst ensuring alignment between remuneration and performance, and always considering shareholder expectations. Full details of these schemes and their objectives are set out later in the remuneration policy under the section titled "Long-term incentive schemes".

At the Annual General Meeting held on 8 November 2023 and in accordance with the recommendations of the King Code, shareholders were presented with a non-binding advisory resolution to endorse the Company's remuneration policy and implementation report.

A total of 65,16% (61,23 % in 2022) of votes received were in favour of the remuneration policy and 33,57% (60,87% in 2022) in favour of the implementation report.

In accordance with the King Code, following the Annual General Meeting the Company invited dissenting shareholders to forward their concerns or questions on the remuneration policy and the implementation report to the Company Secretary. Engagements were held with shareholders or their representatives, to address all legitimate and reasonable objections and concerns raised, including:

- The proposed performance-based non-executive Director remuneration framework: Leading up to the annual general meeting engagements were held with various shareholders regarding this proposal. Whilst the introduction of the new framework was supported by a number of shareholders, these resolutions were ultimately withdrawn at the annual general meeting and not voted on in light of remaining concerns expressed by some shareholders.
- Commentary on remuneration principles: A section dealing specifically with remuneration principles has been included in response to a shareholder request.
- Transparency on executive remuneration: Changes have been made to improve overall reporting on executive remuneration in this report, including on matters such as disclosure over annual bonus performance achievement and executive director salary increases.
- Short-term incentive targets and the achievement thereof: Additional information has been provided in this report.
- Performance conditions for long-term incentives: Shareholders were reminded that the performance conditions for all of the existing long-term incentive schemes were approved by shareholders at the time of approving the schemes and that the performance conditions as reflected in the table later in this report reflect those shareholder approved conditions.
- Individual participation limits on long-term incentive schemes: Shareholders were reminded that the individual limit of 2% of shares in issue (a total limit across all schemes) was approved by shareholders at the time of approving the schemes.
- Retrospective reporting on special retention bonuses: Shareholders were provided with details regarding Remcom's consideration of the need for these bonuses during the disruptive Mondeléz process and the factors considered by Remcom at the time, including the risk of losing scarce skills and the uncertainty created by the potentially long dated and exceptional nature of the transaction. Shareholders were also provided with details on how the quantum of the bonuses was calculated, which was largely around the normal bonus framework of 1 x total salary package.

The Company has kept close track of the changes being introduced by the First and Second Companies Amendment Bills, which were signed into law on 26 July 2024, including the changes to remuneration disclosures, the voting requirements on the remuneration policy and implementation report, and the consequences for non-approval thereof.

The Amendment Acts were signed on 26 July 2024 and gazetted on 30 July 2024. At the date of writing of this report the commencement date of the changes had not yet been announced and gazetted. It is anticipated that the changes will be applicable to the F25 AVI annual remuneration report and the Company will make the appropriate changes to its remuneration disclosures.

This report sets out the Company's remuneration and reward philosophy, policies, and practices for non-executive directors, executive directors, executives, and senior managers. It also provides details of the remuneration paid to and, where applicable, share options acquired by executive directors and executive management during the financial year ended 30 June 2024.

This report can be accessed electronically at **www.avi.co.za.**

PART 2: OVERVIEW OF THE REMUNERATION POLICY

Remuneration and reward philosophy

The objective of the Company's remuneration and reward framework is to attract, retain and motivate the most talented people available to the Group to align with its determination to deliver superior returns to shareholders.

The reward framework is designed to:

- attract and recruit talented people from a shrinking pool of talent;
- retain competent employees who enhance business performance;
- retain employees with potential through their development cycle;
- direct employees' activities towards business priorities;
- recognise and reward employees for superior performance;
- support a high performance environment; and
- support the Company's transformation agenda.

The long-term success of the Company is linked to the people it employs and it is therefore imperative to align the interests of our employees with those of shareholders. During the year under review the Company's remuneration and reward practices played a material role in retaining key talent and supporting the achievement of the Company's objectives.

The Company has a strict non-discrimination policy relating to, inter alia, terms and conditions of employment, remuneration, and reward. Any unfair discrimination is prohibited.

Remuneration principles

The Company's remuneration policy is aligned to business strategy, objectives, and values, and designed to support delivery of superior returns aligned to the interests of its shareholders. It is designed to ensure that executive remuneration is fair and responsible, consistent with effective risk management, rewards employees on a total rewards basis, benchmarks remuneration to the market median, and rewards superior performance.

Short-term incentive structures are capped and allow for the Company to pay a low bonus should the performance of the Company, or an individual division, warrant this.

Performance measures are both quantitative and qualitative and are consistently calculated. These measures are based on stretch targets that are verifiable and relevant.

Pay bands are not fixed to job grades and there is an overlap between pay bands to allow for sufficient flexibility to remunerate employees based on differing roles and market demand.

Composition of remuneration and rewards

In the year under review, the remuneration packages of executive directors and senior management continued to comprise:

- a guaranteed remuneration package (structured as the employee's total cost to the Company);
- an annual bonus based on business and individual performance, which focuses on attaining results in both the short and medium term and ensuring the successful execution of the strategy. The bonus provides employees with a performance based incentive opportunity;
- long-term incentive plans, which only vest on achievement of pre-set performance and service conditions, and which are crucial in retaining key employees, focusing on longer-term strategic achievements, and rewarding sustainable Company performance; and
- access to retirement fund and medical aid benefits funded from their guaranteed remuneration package.

No contractual obligations exist that may give rise to payments on termination of employment other than such payments that are statutorily required to be paid. It does, however, from time to time become necessary to make ad hoc ex gratia termination payments in order to facilitate a smooth transition from one incumbent to another in the best interests of the Company and this is done on a case-by-case basis. The Group CEO has the discretion to authorise such payments. The rules of the Company's short and long-term incentive schemes contain termination provisions that govern payments made to employees who leave the Company's employ either as "good leavers" (no-fault terminations) owing to death, ill health, disability, injury, retrenchment, retirement, or the sale of a subsidiary company, or "bad leavers" (fault terminations) owing to resignation or dismissal on grounds of misconduct, poor performance, dishonest behaviour or fraudulent conduct, or abscondment.

In exceptional cases it may be necessary to offer immediate or deferred sign-on payments in order to secure business critical appointments. Deferred sign-on payments may be made subject to forfeiture should the employee leave prior to the payment date, and all immediate cash payments would be subject to clawback should the employee leave within an agreed period. The Group CEO is required to authorise such payments, whether immediate or deferred.

From time to time and considering risk factors at the time, including the risk of losing critical skills and key employees, Remcom is authorised, where deemed appropriate, to implement special retention bonus payments for identified individuals, over and above the approved, annual, performance-related bonuses. The determination of such awards also takes into consideration the existing embedded value in long-term incentive instruments.

The on target pay mix for the Chief Executive Officer, executive directors, and executive management, is as follows:

Category of employee	Guaranteed base pay %	Short-term incentives %	Long-term incentives %
CEO	30	25	45
Executive directors	35	20	45
Management executives	40	20	40

Guaranteed remuneration

Remcom reviews the salaries of the executive directors and executive management annually, and benchmarks them against the market median in similar sized companies and industries.

Assessments against the market are done in respect of total remuneration as well as the component parts using, inter alia, the REMchannel benchmarking tool, which determines a competitive and reasonable market benchmark against the Company's peers with which to measure the Company's executive and senior management remuneration. In addition to benchmarking data, the Company also considers external economic indicators, the Company's trading performance, budget constraints, skills shortages, and individual performance, all of which underpin returns to shareholders.

Remuneration for employees who are regarded as established performers is determined by using the market median as a strong guideline. Remuneration for employees who are clear out-performers or have scarce or specific critical skills, is determined by using the upper quartile as a strong guideline. Employees who are regarded as under-performers are paid below the median and are actively managed. This approach recognises the market forces in play and the heightened requirement to attract and retain talented employees. The Company has often found that it is necessary to offer to remunerate executives with proven track records at the upper quartile to attract them to the Company.

The Company considers both internal and external remuneration equity when appointing new employees or when existing employees are promoted, as well as when conducting annual reviews and considering merit increases.

Executive security

During F23, the Board considered security and risk mitigation measures that needed to be taken to ensure the safety of key executive management, who may be exposed to elevated personal risk because of, inter alia, their employment, and high-profile status. In some instances, senior executives had received direct threats potentially related to forensic work being done, and deteriorating conditions in many areas have created heightened risks in some retail store locations, requiring senior executives visiting these stores for business purposes to be accompanied by personal security.

South Africa is a country with heightened security risks arising from, inter alia, kidnapping, political protests and demonstrations, crime (particularly violent crime), vehicle hijacking and robberies, and power cuts.

Security professionals conducted a comprehensive personal security assessment and developed an overall mitigation/security plan. On completion, the results were discussed with Remcom, and a plan of action was developed.

The Board is of the view that the costs associated with executive security are a small price to pay for safety.

The Board accordingly authorised Remcom to consider and approve a personal security benefit, which amount is taxable in the hands of the key executives but is not included in their variable remuneration calculations. The value of the benefit approved and paid in the year under review was R2,1 million.

Short-term incentive schemes

Annual or short-term incentives are designed to create a performance culture by rewarding employees for annual achievements in terms of pre-determined targets. These incentives are based on a combination of performance targets, including operating profit, headline earnings, and capital employed, all of which are revised and set on an annual basis at a business unit and AVI level, as well as a set of non-financial targets, set annually up-front. Both the financial and non-financial targets are measured after the finalisation of the audited year-end results. The more an employee is able to influence the financial performance of a subsidiary, due to their role and levels of responsibility, the more their annual incentive is aligned with the financial performance of that subsidiary. Executive management recommends annual incentives to Remcom for approval. Remcom has the sole discretion, within the framework and parameters of the annually approved incentive schemes, to authorise incentives.

The annual incentives payable to executive and other management, for targeted levels of performance, range between 15% and 80% of an employee's guaranteed remuneration package, depending on roles, responsibilities, and individual contributions, determined with reference to market norms and as deemed appropriate by Remcom. The actual incentive payment for the year under review for executive and other management was R188,8 million which was 28,22% of the total remuneration cost to the Company of this group of employees, excluding the cost of the incentives. The payment for the prior year was R176,5 million or 28,2% of the total remuneration cost to the Company.

Earning potentials for short-term incentives

The range of potential bonus awards for short-term incentives for the Chief Executive Officer, executive directors, and management executives are as follows:

Category of employee	On-target bonus (TCTC) %	Bonus range (TCTC) %	Company performance portion of bonus %	Individual performance portion of bonus %
CEO	80	0 – 180	75	25
Executive directors	55	0 – 124	75	25
Management executives	50	0 – 112,5	50 – 75	25 – 50

Weighting of short-term incentive measures

If an employee is eligible for participation in the short-term incentive plan, the employee will have a target short term-incentive plan payment, based on the employee's job grade. The measures and weightings used for the Chief Executive Officer, executive directors, and management executives for the year ended 30 June 2024 were:

	Weightings
Financial measure:	75%/50%
Profit and capital employed achieved relative to target (net operating profit before interest, tax ("NOPBT"), and the financial portion of incentive provisions, but after providing for KPA bonuses in each applicable year, and as modified by specific strategic modifiers* set individually for each business unit's short-term incentive scheme by the Group CEO and approved by Remcom annually up-front)**	
Individual KPIs, comprising:* **	25%/50%
• Effective management and delivery of core responsibilities, including attraction and recruitment of key talent, effective brand development activity, and achievement of transformation objectives and targets • Successful execution of key short- to medium-term projects as defined annually • Effective management of environmental, social, and governance issues ("ESG") and achievement of ESG objectives and targets	

* *Strategic modifiers may include the achievement of specific projects, improved profitability and reduced discounting, formulation and implementation of credible product-specific price and brand architecture strategies, management of working capital balances, significant improvements in factory performance and human capital metrics, and penalties for marketing budget underspends.*

** *Actual targets are not provided in this policy as these are linked to budget and constitute commercially sensitive information. Achievement against prior year targets has been provided on page 105.*

*** *Individual KPIs are aligned to the long-term business strategy and are designed to ensure that focus remains on the most important metrics.*

The targeted 75% weighting towards financial performance in respect of the Chief Executive Officer, executive directors, and management executives is designed to build a strong, uniform, performance-based culture across the Company, support and reward the achievement of corporate and divisional results, provide significant reward for exceeding set targets, provide a market-competitive total remuneration opportunity, and assist in attraction and retention of talent critical to the Company's success and alignment to metrics that drive shareholder returns. Financial bonuses are not earned linearly relative to Net Operating Profit Before Tax ("NOPBT") but are earned in bands (i.e. on a stepped basis) as each NOPBT growth milestone is exceeded. Any new sources of operating profit included in the accounts not budgeted for at the beginning of the year (e.g., an acquisition) will be ring-fenced and not considered in the final measurement of financial performance.

The range of values that the short-term incentive schemes could yield for F24 for the executive directors and group of executive management as identified later in this report, is as follows:

Executive directors

Range	Value R'000
Minimum financial performance	4 284
Targeted financial performance	19 402
Maximum financial performance	44 222

Other executive management

Range	Value R'000
Minimum financial performance	4 826
Targeted financial performance	13 158
Maximum financial performance	28 069

Retention payments

Remcom is particularly mindful of executive retention and the Company's executive retention strategy is considered annually by Remcom, taking account of on-target pay mix and embedded value in long-term incentive schemes. The strategy considers recognition and reward, the impact of change, other opportunities being offered to top talent, flexibility, executive well-being, and shareholder interests. Remcom also annually reviews the entire executive management structure with a view to identifying at-risk executives and the impact it would have on the Company should they be lost to the Group.

Considering the risks to the business Remcom is authorised, where deemed appropriate, with the approval of the Board, to implement special retention payments for key at-risk individuals, over and above the approved, annual, performance-related bonuses. These special retention bonuses would be paid to those individuals on pre-determined payment dates and be designed to incentivise retention. Any special retention payments made in a year to executive management would be reported at the end of that financial year. As at 30 June 2024 no retention payments were authorised or paid for F24.

Long-term incentive schemes

Long-term share incentive schemes remain a material part of the Group's reward framework. The schemes are designed to ensure that appropriate employees are retained over a medium to long-term period, are rewarded responsibly for their efforts, and that their interests are aligned with the interests of shareholders.

The rules, performance conditions, and employment conditions for all share incentive schemes, excluding the phantom schemes approved by Remcom, currently in operation at the Company were approved by shareholders in general meetings at inception of such schemes. There are currently three such share incentive schemes in place – the AVI Limited Revised Executive Share Incentive Scheme ("RESIS"), the AVI Limited Deferred Bonus Share Plan ("DBSP"), and the AVI Limited Out-Performance Scheme.

The level of the participants in the share incentive schemes and the extent of their participation, are benchmarked against the market and are approved by Remcom.

During F22 Remcom instructed 21st Century to assist the Company with a review and benchmarking of the Company's long-term reward frameworks to address, in particular, concerns that had been raised by Remcom regarding the achievement of the stated objectives of the existing RESIS and the DBSP.

The King IV report on Corporate Governance for South Africa acknowledges the dual role played by long-term incentives in driving an organisation's performance while also serving as a retention mechanism and to align shareholder interests. The King IV report also highlights the need for performance conditions to be included in long-term incentive schemes. 21st Century identified that the RESIS offers limited retention value for executive, as well as talented and high-impact Company employees, and that whilst the DBSP could be seen as shoring-up the Company's retention strengths, it is based on the short-term incentive earned and, if no short-term incentive is earned, retention is further diluted. It was concluded that if the DBSP is the main source of retention, the Company exposes itself to significant retention risks.

With all of the above in mind, Remcom considered the retention risks for key talent and considered the reasons why employees may leave the Company. There are a number of reasons why employees leave, including financial, recognition, career development, work-life balance, corporate culture, stress and mental health, and interpersonal conflict. The Group human resources departments are responsible for formulating employee retention strategies focussing on preventing the loss of key employees, including senior executives, highly skilled employees, and employees with specialist knowledge. However, Remcom is responsible for ensuring that meaningful, fair, and performance based compensation and reward structures are in place to support the other elements of the strategy.

Benefits, both long- and short-term, are only relevant to employees if they are of value. Based on the shortcomings identified by 21st Century in 2022 Remcom concluded that the RESIS and the subsidiary phantom share schemes create insufficient value for participants. The retention risk was considered significant with limited long-term financial incentive keeping key talent in the Company. Remcom therefore mandated management to design full value cash-settled phantom incentive schemes complementary to the RESIS and the subsidiary phantom share schemes in order to incentivise retention and value creation for participants at a reasonable cost to the Company.

In November 2023 Remcom considered two new full value cash-settled phantom share schemes, the one for AVI Corporate and Shared Services participants, and the other for subsidiary/business unit participants. After careful consideration, the AVI Full Value Cash-Settled Phantom Share Scheme and the Business Unit Full Value Cash-Settled Phantom Share Scheme ("the Full Value Schemes") were approved by Remcom on 14 November 2023 and the salient terms thereof are as follows:

- **Purpose**
  The purpose of the Full Value Schemes is to encourage out-performance, hold employees to the highest standard of performance, align the performance of employees with the best interests of shareholders, and incentivise retention of high-performance employees, thus also incentivising employees to advance the Company's interests and share in the success of the Company.

- **Instruments**
  The type of instrument to be allocated is full value phantom shares in either the Company or the respective business unit. The shares are notional shares and participants will not be entitled to acquire actual shares in either the capital of the Company or the respective business unit but will acquire an entitlement to notional shares based on the value of an actual share in the capital of the Company or the respective business unit, as the case may be.
- **Participants**
  Eligible employees will include executive directors, prescribed officers, senior management, and high-impact employees. Participation in the Full Value Schemes is not a condition of employment, and Remcom has the absolute discretion to make an award to any employee in terms of the Full Value Schemes.
- **Rights of participants**
  Notional shares will not entitle participants to shareholder rights, such as dividends and voting.
- **Basis of awards and award levels**
  Remcom will twice annually (in April and October of each year), and in their sole discretion, consider awards of full value notional shares. The number of full value notional shares awarded to participants will be based on the participants salary and grade, and the market value of the AVI or business unit shares at the time of the award. The awards will also take account of allocations to participants on other share schemes to achieve a total annual allocation across all share schemes for participants.

  Awards of full value notional shares will be in substitution for and not in addition to awards made in terms of either the RESIS or the Business Unit Phantom Share Schemes. Participants' total annual allocation percentage on the RESIS or the Business Unit Phantom Share Schemes will be allocated either entirely on the RESIS or the respective Business Unit Phantom Share Schemes, as is currently the case, or split between the RESIS or the respective Business Unit Phantom Share Scheme and the Full Value Schemes in percentages to be determined by Remcom at the time. Awards of full value notional shares will be made in a ratio of 1:5 full value notional shares to RESIS or Business Unit Phantom Share Scheme shares.
- **Settlement**
  Full value phantom shares will be settled in cash and will be subject to deduction of normal employees' tax.
- **Vesting date**
  The vesting date is the date on which vesting occurs, which date shall not be earlier than the third anniversary of the award date.
- **Employment condition**
  Employees are required to remain employed by the Group throughout the three year vesting period.
- **Performance conditions and vesting**
  All full value phantom share awards will be subject to the performance conditions set out in the table on page 103.

  The performance conditions and employment condition will be included in the award letter to participants.

  The full value phantom share awards will vest on the later of Remcom establishing if the performance conditions have been met and the satisfaction of the employment condition.

  If Remcom determines that the performance condition for awards due to vest have not been met either in whole or in part and can no longer be satisfied, all such awards due to vest will lapse.
- **Consideration**
  The participants will give no consideration for an award of full value phantom shares.
- **Termination of employment**
  "Bad leavers"
  Participants terminating employment owing to resignation, or dismissal on grounds of misconduct, poor performance, dishonest behaviour, fraudulent conduct, or on the basis of abscondment will be classified as "bad leavers" and all unvested forfeitable shares will be forfeited.

  "Good leavers"
  Participants who leave the employ of the Company prior to the vesting date in the following circumstances will vest a portion of the unvested awards on the date of termination of employment: retrenchment; retirement (if the participant has been in the employ of the business unit for less than three years).

  Participants who leave the employ of the Company prior to the vesting date in the following circumstances will vest all awards on the date of termination of employment: death; ill-health; disability; injury; or retirement (if the participant has been in the employ of the business unit for three years or more at the time of retirement).

  Participants who leave the employ of the Company for any reason other than as set out above prior to the vesting date, the whole or a portion of unvested awards may vest in the sole discretion of Remcom on the date of termination of employment.

  If a portion of the awards is to vest such portion will reflect the number of months served since the award date to the date of termination of employment over the total number of months in the employment period. The remainder of the awards will lapse.

  The first allocations on the AVI and Business Unit Full Value Cash-Settled Phantom Share Schemes were made in April 2024 and details thereof are set out in the table on page 110.

The nature and key characteristics of the various Group schemes are summarised in the following table:

	Scheme name and nature	Participants	Allocation method	Performance conditions	Vesting period	Exercise period
1.	**The Revised AVI Limited Executive Share Incentive Scheme** (A share appreciation rights scheme that delivers value against share appreciation whilst limiting the dilution impact of share issuances) First allocation made in November 2016	Executive and senior management of the Company and shared services	A percentage of remuneration (between 35% and 235%) determined by Remcom, based on seniority and contribution	• The employee must remain employed by the Group throughout the vesting period • The employee must maintain agreed individual performance targets aligned to the annual short-term incentive measures • The share price on exercise must be greater than the allocation price • Average return on capital employed over the vesting period ahead of the weighted average cost of capital	Three years from grant date	Within two years from vesting date
2.	**The AVI Limited Deferred Bonus Share Plan** (Awards shares based on historical performance)	Executive and senior management of the Company, and high-impact employees, at Remcom's discretion	A percentage of remuneration (between 0% and 112,5%), determined by Remcom, based on an allocation multiple in relation to the individual's EVA bonus multiple achieved during the relevant financial year	• Linked to performance entry criteria for the short-term incentive scheme during the relevant financial year • Allocations are dependent on the quantum of the annual bonus earned based on the Company's financial and non-financial results modified by the individual's performance • The employee must remain employed by the Group throughout the vesting period	Three years from grant date	On the vesting date
3.	**Various Business Unit Phantom Growth Share Schemes** (Notional share option schemes that deliver value against the subsidiaries' performance and the Company's price earnings ratio)	Business unit executive and senior management	A percentage of remuneration (between 35% and 165%), determined by Remcom, based on seniority and contribution	• The employee must remain employed by the Group throughout the vesting period • The employee must maintain agreed individual performance targets aligned to the annual short-term incentive measures • The share price on exercise must be greater than the allocation price	Three years from grant date	Within two years from vesting date

	Scheme name and nature	Participants	Allocation method	Performance conditions	Vesting period	Exercise period
4.	**The AVI Limited Out-Performance Scheme** (A share grant scheme that delivers value dependent upon the Company's performance relative to its peers, being, in respect of each tranche, 32 companies listed on the JSE which are selected annually by Remcom, in its discretion, to constitute the peer group for such tranche and against the Total Shareholder Return ("TSR") of which, the AVI TSR for such tranche will be measured. TSR is defined as the increase in value over the measurement period (expressed as a percentage) of the AVI shares after the notional reinvestment of all distributions made in respect of such shares, using the closing price of the shares on the JSE on the trading day after the date of such distributions)*	Directors of the Company and select executives of the Company and subsidiaries	• Annual, percentage of remuneration (between 50% and 60%), determined by Remcom, based on seniority and contribution • Subject to sacrifice of an equivalent number of incentive plan instruments under either the Revised AVI Limited Executive Share Incentive Scheme or Phantom Share Incentive Schemes	• The employee must remain employed by the Group throughout the vesting period • The employee must maintain agreed individual performance hurdles aligned to the annual short-term incentive measures • The Company must meet TSR performance thresholds relative to its peers in order to achieve vesting at pre-determined multiples, as follows: TSR performance – Vesting multiple 0 – 0,0x 10 – 0,0x 20 – 0,0x 30 – 0,0x 40 – 0,0x 50 – 0,9x 60 – 1,2x 70 – 1,8x 80 – 2,4x 90 – 3,0x 100 – 3,6x • Zero vesting below 50% TSR performance	Three years from grant date	On the vesting date

* The peer group for the OPP allocation vesting in October 2024, is Shoprite, Pepkor, Clicks, Bidvest, Remgro, Woolworths, Mr Price, TFG, Spar, Distell, Tiger Brands, Pick 'n Pay, Truworths, Italtile, Dis-Chem, Barloworld, Motus, Massmart, Kap Industrial, AECI, RCL Foods, Reunert, Omnia, Oceana, Adcock Ingram, Cashbuild, Astral Foods, Datatec, Famous Brands, Zeder Investments, Altron, and Libstar.

	Scheme name and nature	Participants	Allocation method	Performance conditions	Vesting period	Exercise period
5.	**I and J Staff Holding Company (Pty) Ltd** (An I&J share rights scheme that delivers value against I&J share price appreciation and is an integral part of I&J's compliance for the allocation of long-term fishing rights)	Black employees (as defined in terms of the Broad-based Black Economic Empowerment Act of 2003) of I&J	All existing black employees from inception of the scheme on 21 December 2021 and annually thereafter all new employees up to the closing date (which will be no less than 14 years from inception date)	The employee must remain employed by I&J up to the redemption date	The current vesting cycle matures during the 2035 financial year	None

	Scheme name and nature	Participants	Allocation method	Performance conditions	Vesting period	Exercise period
6.	**The AVI Full Value Cash-Settled Phantom Share Scheme** (Awards will be in substitution for and not in addition to awards made in terms of the RESIS. Participants' total annual allocation percentage on the RESIS will be allocated either entirely on the RESIS, as is currently the case, or split between the RESIS and the full value scheme. Awards of full value notional shares will be made in a ratio of 1:5 full value notional shares to RESIS)	Executive directors, prescribed officers, senior management, and high-impact employees	A percentage of remuneration aligned to the allocation percentages on the Revised AVI Executive Share Incentive Scheme	• The employee must remain employed by the Group throughout the vesting period • The employee must maintain agreed individual performance targets aligned to the annual short-term incentive measures • Average return on invested capital (ROIC) > 1,25x weighted average cost of capital (WACC) over the three-year vesting period; and • Average cash generated by operations > 75% of earnings before interest, taxes, depreciation, and amortisation (EBITDA) over the three-year vesting period	Three years from grant date	On the vesting date
7.	**The AVI Business Unit Full Value Cash-Settled Phantom Share Scheme** (Awards will be in substitution for and not in addition to awards made in terms of the Business Unit Phantom Growth Share Schemes. Participants' total annual allocation percentage on the Business Unit Phantom Growth Share Schemes will be allocated either entirely on the respective Business Unit Phantom Growth Share Schemes, as is currently the case, or split between the respective Business Unit Phantom Growth Share Scheme and the Full Value Cash-Settled Phantom Schemes. Awards of full value notional shares will be made in a ratio of 1:5 full value notional shares to Business Unit Phantom Growth Share Scheme shares)	Business unit executive directors, prescribed officers, senior management, and high-impact employees	A percentage of remuneration aligned to the allocation percentages on the Business Unit Phantom Growth Share Schemes	Business units excluding I&J – • three-year average return on capital employed (ROCE) for the three full audited financial years immediately preceding the vesting date >/= 1x AVI's average weighted average cost of capital (WACC) over the same three-year period; and • three-year average cash generated by operations divided by earnings before interest, taxes, depreciation, and amortisation (EBITDA) for the three full audited financial years immediately preceding the vesting date >/= 65% I&J – • three-year average return on capital employed (ROCE) for the three full audited financial years immediately preceding the vesting date >/= I&J's ROCE calculated on entry using the full year audited financial results immediately preceding the award date; and • three-year average return on capital employed (ROCE) for the three full audited financial years immediately preceding the vesting date >/= AVI's required risk-free return on capital employed	Three years from grant date	On the vesting date

The various long-term share incentive schemes do not permit rights or options to be issued at a discount to their value at the grant date and they do not permit rights and options to be re-priced.

Set out in the following table is a summary of the AVI shares currently authorised for use in the approved share schemes and the remaining authorised but not issued number:

Scheme name	Authorised number	% of total issued share capital*	Remaining authorised but not issued number
Revised AVI Limited Executive Share Incentive Scheme (share appreciation rights plan)	5 213 369	1,5	5 061 050
AVI Limited Deferred Bonus Share Plan	5 213 369	1,5	1 171 551
AVI Limited Out-Performance Scheme	6 915 158	2,0	4 428 128
Total	17 341 896	5,0	10 660 729

* *As at 30 June 2024.*

In accordance with the scheme rules previously approved by shareholders on inception of each scheme, no participant in the schemes is entitled to acquire shares and/or options, which would in total equate to more than 2% (two percent) of the total issued share capital of the Company, which, at 30 June 2024, amounts to 338 965 477 shares, unless otherwise agreed by the Board and sanctioned by the Company in general meeting in accordance with the JSE Listings Requirements.

As at 30 June 2024 no individual participant holds shares and/or options equating to more than 1,2% of the total issued share capital of the Company.

Malus and clawback

In order to align with shareholder expectations and best practice, in 2019 Remcom adopted a malus and clawback policy for variable executive remuneration, including both long and short-term incentives, which policy applies prospectively to all participants.

Malus provisions allow for an ex ante adjustment of variable pay on the occurrence of specific trigger events; and clawback provisions create an ex post obligation for participants to repay amounts to the Company on the occurrence of specific trigger events.

This policy was communicated to all participants in the affected schemes and acceptance of the policy is a condition of all future participation in the incentives.

Benefits

Retirement fund contributions

Defined contribution pension and provident fund arrangements exist throughout the Group. Retirement funding contributions are charged against expenditure when incurred. Executive and management employees are remunerated on a total cost to company basis and therefore all funding requirements for retirement benefits are borne by these employees. The assets of retirement funds are managed separately from the Group's assets by boards of trustees. The trustees are both Company and employee elected, and where appropriate the boards have pensioner representation. The boards of trustees oversee the management of the funds and ensure compliance with all relevant legislation.

Medical aid contributions

The Anglovaal Group Medical Scheme, a restricted membership scheme, offers medical benefits for the employees of participating employers in the Group. The scheme is managed by a board of trustees elected by members (including pensioners) and employer companies and is administered by Discovery Health. An audit and investment committee and a committee of management assist the board of trustees. As with the Group's retirement funds, the assets of the scheme are managed separately from those of the Group. The board of trustees ensures compliance with all relevant legislation and, in particular, manages the relationship with the Council of Medical Schemes. Executive and management employees are remunerated on a total cost to company basis and therefore all funding requirements for this scheme are borne by employees.

Fair and responsible remuneration

The King Code emphasises the need for executive remuneration that is fair and responsible in the context of overall employee remuneration. The Board and Remcom regard this as an important issue that requires careful consideration and discussion with a view to understanding the criteria for determination of "fair and responsible" remuneration and how this can be assessed and, if appropriate, adjusted.

Non-executive directors' emoluments

Non-executive directors are remunerated in line with market-related rates for the time required to discharge their ordinary responsibilities on the Board and its sub-committees. A portion of the fees is paid as a retainer with the balance being paid for attendance of normal scheduled meetings. For extraordinary ad hoc services rendered that fall outside their ordinary duties, the non-executive directors are remunerated by way of a market-related hourly fee, subject to authorisation by the Remcom.

Non-executive directors are not appointed under service contracts, their remuneration is not linked to the Company's financial performance, and they do not qualify for participation in any short-term bonus schemes or long-term share incentive schemes.

PART 3: IMPLEMENTATION REPORT

Executive management remuneration

The following disclosure is made in accordance with the King IV recommendation on disclosure of remuneration paid to executive management during F24 (being the executive Board members and management executives, as defined in the Companies Act), for the year under review:

Executive directors

	F24								
Executive directors	Salary R'000	Bonus and performance-related payments R'000	Pension fund contributions R'000	Gains on exercise of share incentive instruments* R'000	Other benefits and allowances** R'000	Termination benefits R'000	Gains on early exercise of share options owing to termination R'000	Total F24 R'000	Total F23 R'000
SL Crutchley	14 433	21 602	1 137	2 023	2 444	–	–	41 639	54 392
JC O'Meara	4 930	4 682	459	649	170	–	–	10 890	11 407
M Koursaris	7 032	7 378	875	599	50	–	–	15 934	19 422

* *Gains on exercise of share incentive instruments represent the actual gain received by the director on exercising vested share incentive instruments.*

** *Includes expenses refunded, taxable allowances (including car and security allowances), and Company contributions to medical schemes.*

Bonus and performance-related payments for executive directors for F23 (paid in September 2023) were determined as follows:

		Actual F23 bonus				
Name	F23 target bonus percentage of total cost to company at 1,00 x financial factor %	Percentage of F23 salary %	Financial measures – percentage of total bonus paid %	Individual KPI – percentage of total bonus paid* %	Financial factor achieved (multiple of on-target bonus)	Individual KPI rating achieved %
SL Crutchley	80	149	80	20	2,00 x	98
JC O'Meara	55	101	82	18	2,00 x	90
M Koursaris	55	101	82	18	2,00 x	90

* *Determined based on individual KPI ratings achieved, which take into consideration delivery against core responsibilities, execution of key short to medium-term projects, and the effective management of environment, social, and governance issues.*

Increases awarded to the executive directors in July 2024 (for F25) were as follows:

Name	Position	F24 salary R'000	F25 salary R'000	% change	Compa-ratio to 75th percentile
SL Crutchley	CEO	15 905	17 496	10	1,07
JC O'Meara	CFO	5 559	6 948	25	0,85
M Koursaris	Business Development Director	7 957	8 753	10	1,04

The increases awarded reflect performance against both individual KPIs and benchmarking, as well as the highly portable nature of the executive directors' management and leadership skills, qualifications, and experience and the risk of losing these. The lack of experienced business leaders in South Africa demands that executive remuneration be structured so as to retain valuable skills and maintain continuity of knowledge and experience. In line with the Company's remuneration policy the executive directors are regarded as clear out performers with proven track records who are rewarded within reasonable proximity to the upper quartile.

The expense for the year in respect of share options granted to executive directors, determined in accordance with IFRS 2 – *Share-Based Payments*, was R34,96 million (2023: R21,67 million).

The executive directors of the Company receive no emoluments from the subsidiaries of the Company.

The F24 emoluments of key management executives who report to the executive directors are as follows:

	F24								
	Salary R'000	Bonus and performance-related payments R'000	Pension fund contributions R'000	Gains on exercise of share instruments R'000	Other benefits and allowances* R'000	Termination benefits R'000	Gains on early exercise of share options owing to termination R'000	Total F24 R'000	Total F23 R'000
Management executive 1	**5 176**	**5 100**	**399**	**3 186**	**26**	**3 930**	**–**	**17 817**	17 659
Management executive 2	**3 480**	**2 100**	**236**	**1 748**	**98**	**11 109**	**–**	**18 771**	8 498
Management executive 3	**4 188**	**3 448**	**323**	**665**	**–**	**–**	**–**	**8 624**	8 705
Management executive 4	**2 835**	**1 466**	**222**	**599**	**69**	**–**	**–**	**5 191**	6 656
Management executive 5	**3 120**	**1 199**	**350**	**1 311**	**72**	**–**	**–**	**6 052**	7 522
Management executive 6	**3 510**	**1 991**	**351**	**177**	**155**	**–**	**–**	**6 184**	8 376
Management executive 7	**2 476**	**1 427**	**204**	**476**	**266**	**–**	**–**	**4 849**	5 950

* *Includes expenses refunded, taxable allowances (including car allowances), and Company contributions to medical schemes.*

Bonus and performance-related payments for key management executives for F23 (paid in September 2023) were determined as follows:

	F23 target bonus percentage of total cost to company at 1,00 x financial factor %	Actual F23 bonus				
		Percentage of F23 salary* %	Financial measures – percentage of total bonus paid %	Individual KPI – percentage of total bonus paid* %	Financial factor achieved (multiple of on-target bonus)	Individual KPI rating achieved %
Management executive 1	50	74	80	20	1,72 x	79
Management executive 2	50	41	64	36	0,70 x	80
Management executive 3	50	92	82	18	1,80 x	90
Management executive 4	50	52	51	49	1,32 x	85
Management executive 5	35	36	51	49	1,32 x	85
Management executive 6	50	53	49	51	1,32 x	90
Management executive 7	50	53	49	51	1,32 x	90

* *Determined based on individual KPI ratings achieved, which take into consideration delivery against core responsibilities, execution of key short- to medium-term projects, and the effective management of environment, social, and governance issues.*

The following section sets out the Group short-term incentive targets and measures as well as Remcom's assessment of the outcome for the financial year ended 30 June 2023. The short-term incentive for the financial year 2023 operated in line with the policy and was paid out during September 2023.

Measure	Weighting %	Target R'm	Financial factor multiple bands applicable to target**					
			% of target	% of target	% of target	% of target	% of target	% of target
Financial target – reported EBIT before financial bonus cost*	75	2 577,7	>3% below target	<3% below target	on target	>5% above target	>7% above target	>10% above target
EBIT threshold targets for each band								
Minimum EBIT target				2 500,4	2 577,7	2 706,7	2 758,2	2 835,6
Maximum EBIT target			2 500,3	2 577,6	2 706,6	2 758,1	2 835,5	
Financial factor applicable to band			–	0,50	1,00	1,50	2,00	2,50

	Weighting %	Actual*** R'm	Performance relative to target %	Financial multiple achieved
Financial target – reported EBIT before financial bonus cost*	75	2 758,4	107	2,00
Adjustments applied in respect of strategic modifiers****		None		

* *Includes equity-accounted earnings of joint ventures.*
** *The financial factor multiple is applied in pre-determined bands based on the outcome compared to the target.*
*** *The actual performance includes an adjustment pertaining to insurance proceeds received in respect of the fire at I&J's value-added plant only recognised in the first semester of F24. As the fire was not envisaged in the budget and all costs were recognised in F23 Remcom believed it appropriate to adjust for the insurance benefit received by the Group.*
**** *Strategic modifiers take into consideration the achievement of specific projects, initiatives to improve profitability and reduced discounting, the effective management of working capital, improvements in factory performances and appropriate capital investment, and adjustments for marketing budget underspends.*

Unexercised options, share appreciation rights and bonus shares

The following table reflects the status of unexercised options, share appreciation rights and bonus shares held by executive management as at 30 June 2024:

Executive directors:

Name	Scheme	Options granted	Date granted	Vesting date	Issue price (R)	Allocation value (R)	Price at 30 June 2024 (R)	Vesting multiple at 30 June 2024 (as applicable)	Value at 30 June 2024 (R)
SL Crutchley	RESIS	361 080	1 April 2020	1 April 2023	69,75	25 185 330	94,59		8 969 227
	RESIS	392 674	1 April 2021	1 April 2024	73,85	28 998 975	94,59		8 144 059
	RESIS	450 295	1 April 2022	1 April 2025	69,23	31 173 923	94,59		11 419 481
	RESIS	498 092	1 April 2023	1 April 2026	66,48	33 113 156	94,59		14 001 366
	RESIS	408 319	1 April 2024	1 April 2027	91,54	37 377 521	94,59		1 245 373
	AVI OPP	99 516	1 October 2021	1 October 2024	79,98	7 959 290	94,59	1,80	16 943 793
	AVI OPP	118 861	1 October 2022	1 October 2025	72,99	8 675 664	94,59	0,90	10 118 756
	AVI OPP	128 962	1 October 2023	1 October 2026	74,00	9 543 188	94,59	0,90	10 978 664
	AVI DBSP	85 280	1 October 2021	1 October 2024	86,04	7 337 491	94,59		8 066 635
	AVI DBSP	219 682	1 October 2022	1 October 2025	73,43	16 131 249	94,59		20 779 720
	AVI DBSP	159 194	1 June 2023	1 June 2026	63,58	10 121 555	94,59		15 058 160
	AVI DBSP	197 495	1 October 2023	1 October 2026	75,20	14 851 624	94,59		18 681 052
						230 468 966			**144 406 287**
JC O'Meara	RESIS	123 020	1 October 2022	1 October 2025	73,43	9 033 359	94,59		2 603 103
	RESIS	144 150	1 October 2023	1 October 2026	75,20	10 840 080	94,59		2 795 069
	AVI OPP	31 734	1 October 2022	1 October 2025	72,99	2 316 265	94,59	0,90	2 701 547
	AVI OPP	37 561	1 October 2023	1 October 2026	74,00	2 779 514	94,59	0,90	3 197 605
	AVI DBSP	1 922	1 October 2021	1 October 2024	86,04	165 369	94,59		181 802
	AVI DBSP	28 433	1 October 2022	1 October 2025	73,43	2 087 835	94,59		2 689 477
	AVI DBSP	51 003	1 June 2023	1 June 2026	63,58	3 242 771	94,59		4 824 374
	AVI DBSP	47 542	1 October 2023	1 October 2026	75,20	3 575 158	94,59		4 496 998
	Phantom	389	1 October 2020	1 October 2023	3 532,75	1 374 240	4 105,87		222 944
	Phantom	411	1 October 2020	1 October 2023	3 824,15	1 571 726	4 689,66		355 725
	Phantom	312	1 October 2021	1 October 2024	3 637,51	1 134 903	4 689,66		328 271
						38 121 220			**24 396 914**
M Koursaris	RESIS	130 064	1 April 2020	1 April 2023	69,75	9 071 964	94,59		3 230 790
	RESIS	130 520	1 April 2021	1 April 2024	73,85	9 638 902	94,59		2 706 985
	RESIS	148 281	1 April 2022	1 April 2025	69,23	10 265 494	94,59		3 760 406
	RESIS	214 125	1 April 2023	1 April 2026	66,48	14 235 030	94,59		6 019 054
	RESIS	169 501	1 April 2024	1 April 2027	91,54	15 516 122	94,59		516 978
	AVI OPP	32 910	1 October 2021	1 October 2024	79,98	2 632 142	94,59	1,80	5 603 322
	AVI OPP	39 308	1 October 2022	1 October 2025	72,99	2 869 091	94,59	0,90	3 346 329
	AVI OPP	53 764	1 October 2023	1 October 2026	74,00	3 978 536	94,59	0,90	4 576 983
	AVI DBSP	23 288	1 October 2021	1 October 2024	86,04	2 003 700	94,59		2 202 812
	AVI DBSP	60 718	1 October 2022	1 October 2025	73,43	4 458 523	94,59		5 743 316
	AVI DBSP	80 371	1 June 2023	1 June 2026	63,58	5 109 988	94,59		7 602 293
	AVI DBSP	68 050	1 October 2023	1 October 2026	75,20	5 117 360	94,59		6 436 850
						84 896 852			**51 746 117**

Key management executives who report to the executive directors

Name	Scheme	Options granted	Grant date	Vesting date	Issue price (R)	Allocation value (R)	Price at 30 June 2024 (R)	Vesting multiple at 30 June 2024 (as applicable)	Value at 30 June 2024 (R)
Management executive 1									
	RESIS	54 621	1 April 2024	1 April 2027	91,54	5 000 006	94,59		166 594
	AVI OPP	39 491	1 October 2021	1 October 2024	79,98	3 158 490	94,59	1,80	6 723 817
	AVI OPP	47 168	1 October 2022	1 October 2025	72,99	3 442 792	94,59	0,90	4 015 459
	AVI OPP	49 315	1 October 2023	1 October 2026	74,00	3 649 310	94,59	0,90	4 198 235
	AVI DBSP	5 534	1 October 2021	1 October 2024	86,04	476 145	94,59		523 461
	AVI DBSP	16 430	1 October 2022	1 October 2025	73,43	1 206 455	94,59		1 554 114
	AVI DBSP	21 659	1 June 2023	1 June 2026	63,58	1 377 079	94,59		2 048 725
	AVI DBSP	21 565	1 October 2023	1 October 2026	75,20	1 621 688	94,59		2 039 833
	Phantom	1 507	1 April 2020	1 April 2023	3 041,95	4 584 219	4 105,87		1 603 327
	Phantom	1 667	1 April 2022	1 April 2025	3 125,92	5 210 909	4 105,87		1 633 577
	Phantom	1 871	1 April 2023	1 April 2026	3 035,73	5 679 851	4 105,87		2 002 232
	Phantom	1 260	1 April 2021	1 April 2024	3 866,21	4 871 425	4 689,66		1 037 547
	Phantom	1 774	1 April 2022	1 April 2025	2 937,90	5 211 835	4 689,66		3 107 622
	Phantom	1 850	1 April 2023	1 April 2026	3 070,98	5 681 313	4 689,66		2 994 558
						51 171 517			**33 649 101**
Management executive 3									
	RESIS	23 771	1 April 2022	1 April 2025	69,23	1 645 666	94,59		602 833
	RESIS	56 459	1 April 2023	1 April 2026	66,48	3 753 394	94,59		1 587 062
	RESIS	60 083	1 April 2024	1 April 2027	91,54	5 499 998	94,59		183 253
	AVI OPP	22 032	1 October 2021	1 October 2024	79,98	1 762 119	94,59	1,80	3 751 212
	AVI OPP	25 712	1 October 2022	1 October 2025	72,99	1 876 719	94,59	0,90	2 188 888
	AVI OPP	27 136	1 October 2023	1 October 2026	74,00	2 008 064	94,59	0,90	2 310 115
	AVI DBSP	6 682	1 October 2021	1 October 2024	86,04	574 919	94,59		632 050
	AVI DBSP	5 751	1 October 2022	1 October 2025	73,43	422 296	94,59		543 987
	AVI DBSP	29 517	1 June 2023	1 June 2026	63,58	1 876 691	94,59		2 792 013
	AVI DBSP	15 396	1 October 2023	1 October 2026	75,20	1 157 779	94,59		1 456 308
						20 577 645			**16 047 722**
Management executive 4									
	RESIS	16 783	1 April 2022	1 April 2025	69,23	1 161 887	94,59		425 617
	RESIS	42 485	1 April 2023	1 April 2026	66,48	2 824 403	94,59		1 194 253
	RESIS	33 940	1 April 2024	1 April 2027	91,54	3 106 868	94,59		103 517
	AVI OPP	16 349	1 October 2021	1 October 2024	79,98	1 307 593	94,59	1,80	2 783 613
	AVI OPP	19 348	1 October 2022	1 October 2025	72,99	1 412 211	94,59	0,90	1 647 115
	AVI OPP	20 992	1 October 2023	1 October 2026	74,00	1 553 408	94,59	0,90	1 787 070
	AVI DBSP	3 237	1 October 2021	1 October 2024	86,04	278 511	94,59		306 188
	AVI DBSP	5 527	1 October 2022	1 October 2025	73,43	405 848	94,59		522 799
	AVI DBSP	22 211	1 June 2023	1 June 2026	63,58	1 412 175	94,59		2 100 938
	AVI DBSP	6 433	1 October 2023	1 October 2026	75,20	483 762	94,59		608 497
						13 946 666			**11 479 608**
Management executive 5									
	RESIS	44 560	1 April 2022	1 April 2025	69,23	3 084 889	94,59		1 130 042
	RESIS	49 652	1 April 2023	1 April 2026	66,48	3 300 865	94,59		1 395 718
	RESIS	38 583	1 April 2024	1 April 2027	91,54	3 531 888	94,59		117 678
	AVI OPP	19 285	1 October 2021	1 October 2024	79,98	1 542 414	94,59	1,80	3 283 503
	AVI OPP	22 612	1 October 2022	1 October 2025	72,99	1 650 450	94,59	0,90	1 924 982
	AVI OPP	23 864	1 October 2023	1 October 2026	74,00	1 765 936	94,59	0,90	2 031 566
	AVI DBSP	3 818	1 October 2021	1 October 2024	86,04	328 501	94,59		361 145
	AVI DBSP	6 379	1 October 2022	1 October 2025	73,43	468 410	94,59		603 390
	AVI DBSP	20 767	1 June 2023	1 June 2026	63,58	1 320 366	94,59		1 964 351
	AVI DBSP	7 313	1 October 2023	1 October 2026	75,20	549 938	94,59		691 737
						17 543 657			**13 504 110**

Name	Scheme	Options granted	Grant date	Vesting date	Issue price (R)	Allocation value (R)	Price at 30 June 2024 (R)	Vesting multiple at 30 June 2024 (as applicable)	Value at 30 June 2024 (R)
Management executive 6									
	RESIS	43 751	1 April 2020	1 April 2023	69,75	3 051 632	94,59		1 086 775
	RESIS	3 223	1 April 2021	1 April 2024	73,85	238 019	94,59		66 845
	RESIS	49 879	1 April 2022	1 April 2025	69,23	3 453 123	94,59		1 264 931
	RESIS	56 098	1 April 2023	1 April 2026	66,48	3 729 395	94,59		1 576 915
	RESIS	43 593	1 April 2024	1 April 2027	91,54	3 990 503	94,59		132 959
	AVI OPP	20 270	1 October 2021	1 October 2024	79,98	1 621 195	94,59	1,80	3 451 211
	AVI OPP	25 547	1 October 2022	1 October 2025	72,99	1 864 676	94,59	0,90	2 174 842
	AVI OPP	26 963	1 October 2023	1 October 2026	74,00	1 995 262	94,59	0,90	2 295 387
	AVI DBSP	1 910	1 October 2021	1 October 2024	86,04	164 336	94,59		180 667
	AVI DBSP	7 527	1 October 2022	1 October 2025	73,43	552 708	94,59		711 979
	AVI DBSP	29 328	1 June 2023	1 June 2026	63,58	1 864 674	94,59		2 774 136
	AVI DBSP	8 501	1 October 2023	1 October 2026	75,20	639 275	94,59		804 110
						23 164 798			**16 520 755**
Management executive 7									
	RESIS	28 769	1 October 2021	1 October 2024	86,04	2 475 285	94,59		245 975
	RESIS	36 406	1 October 2022	1 October 2025	73,43	2 673 293	94,59		770 351
	RESIS	38 037	1 October 2023	1 October 2026	75,20	2 860 382	94,59		737 537
	AVI OPP	18 313	1 October 2022	1 October 2025	72,99	1 336 666	94,59	0,90	1 559 004
	AVI OPP	19 327	1 October 2023	1 October 2026	74,00	1 430 198	94,59	0,90	1 645 327
	AVI DBSP	1 369	1 October 2021	1 October 2024	86,04	117 789	94,59		129 494
	AVI DBSP	8 060	1 October 2022	1 October 2025	73,43	591 846	94,59		762 395
	AVI DBSP	21 023	1 June 2023	1 June 2026	63,58	1 336 642	94,59		1 988 566
	AVI DBSP	6 094	1 October 2023	1 October 2026	75,20	458 269	94,59		576 431
						13 280 370			**8 415 080**

Key:
RESIS – Revised AVI Executive Share Incentive Scheme
AVI OPP – AVI Out-Performance Scheme
AVI DBSP – AVI Deferred Bonus Share Plan
Phantom – Various Business Unit Growth Phantom Share Schemes

Remcom is satisfied that executive remuneration for the year under review complied with the Company's remuneration policy and that there were no deviations. No events were identified that triggered the application of malus and clawback provisions on short or long-term incentives.

Key management emoluments

Key management, as defined in International Accounting Standard 24 – *Related Party Disclosures* are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The directors of the Company, directors of its subsidiaries and business unit management with executive responsibility have been identified as the key management personnel of the Group.

The following disclosure includes the total emoluments paid to key management personnel across the AVI Group:

	2024 R'000	2023 R'000
Salary and other benefits and allowances	**122 286**	110 017
Bonuses and performance-related payments	**76 871**	65 072
Special retention bonuses	**–**	63 650
Pension fund contributions	**9 372**	8 757
Gains on exercise of share instruments	**18 148**	7 299
Sub-total	**226 677**	254 795
Termination benefits*	**15 442**	–
Gains on early exercise of share instruments owing to termination*	**3 265**	–
Total	**245 384**	254 795

* *Arising from resignations and agreed terminations other than retrenchments.*

Allocations and vesting on long-term incentive schemes

Details of the allocations made to all participants on the various long-term share incentive schemes during the year under review, are set out in the following table:

Scheme name	Allocation date	Vesting date	Allocation price (R)	Numbers of options allocated
RESIS	1 October 2023	1 October 2026	75,20	640 113
	1 April 2024	1 April 2027	91,54	973 508
AVI OPP	1 October 2023	1 October 2026	74,00	750 617
The AVI DBSP	1 October 2023	1 October 2026	75,20	655 743
Snackworks Phantom	1 October 2023	1 October 2026	3 859,89	6 075
	1 April 2024	1 April 2027	4 689,66	1 235
Entyce Beverages Phantom	1 October 2023	1 October 2026	3 379,39	6 207
	1 April 2024	1 April 2027	4 105,87	1 325
Indigo Brands Phantom	1 October 2023	1 October 2026	2 095,56	3 341
	1 April 2024	1 April 2027	2 546,05	718
I&J Phantom	1 April 2024	1 April 2027	9,74	1 688 684
Spitz Phantom	1 October 2023	1 October 2026	332,80	14 658
	1 April 2024	1 April 2027	404,34	21 537
Ciro Phantom	1 April 2024	1 April 2027	494,94	2 675
AVI FV*	1 April 2024	1 April 2027	91,54	51 043
Snackworks FV*	1 April 2024	1 April 2027	4 689,66	447
Entyce Beverages FV*	1 April 2024	1 April 2027	4 105,87	459
Indigo Brands FV*	1 April 2024	1 April 2027	2 546,05	430
I&J FV*	1 April 2024	1 April 2027	9,74	373 345
Spitz FV*	1 April 2024	1 April 2027	404,34	3 470
Ciro FV*	1 April 2024	1 April 2027	494,94	1 605

* *Awards were made to participants in bands E Lower and below. No Full Value Cash-Settled Share Scheme awards were made to employees in the E Mid, E Upper, or F bands. Awards were made in substitution for and not in addition to awards made in terms of the AVI Limited Revised Executive Share Incentive Scheme or the respective Business Unit Phantom Share Schemes. Awards of full value notional shares made in a ratio of 1:5 full value notional shares to AVI Limited Revised Executive Share Incentive Scheme shares or the respective Business Unit Phantom Share Scheme shares.*

Key:

RESIS – Revised AVI Executive Share Incentive Scheme
AVI OPP – AVI Out-Performance Scheme
AVI DBSP – AVI Deferred Bonus Share Plan
Phantom – Various Business Unit Growth Phantom Share Schemes
AVI FV – AVI Full Value Cash-Settled Phantom Share Scheme
FV – Various Business Unit Full Value Cash-Settled Phantom Share Schemes

Details of the tranches that vested during the year and the value achieved per share for the various long-term share schemes, following achievement of the pre-set performance conditions and, at an individual level, the employment condition, are set out in the following table:

Scheme name	Allocation date	Vesting date	Allocation price (R)	Vesting price* (R)	Value achieved per share over life of tranche (R)
RESIS	1 October 2020	1 October 2023	74,52	74,32	0,00
	1 April 2021	1 April 2024	73,85	91,54	17,69
AVI OPP	1 October 2020	1 October 2023	72,42	(zero vesting multiple achieved)	0,00
AVI DBSP	1 October 2020	1 October 2023	74,52	74,32	74,32
Snackworks Phantom	1 October 2020	1 October 2023	3 824,15	3 859,89	35,74
	1 April 2021	1 April 2024	3 866,21	4 689,66	823,45
Entyce Beverages Phantom	1 October 2020	1 October 2023	3 532,75	3 379,39	0,00
	1 April 2021	1 April 2024	3 571,59	4 105,87	534,28
Indigo Brands Phantom	1 April 2021	1 April 2024	1 965,30	3 124,19	1 158,89
I&J Phantom	1 April 2021	1 April 2024	9,97	8,12	0,00
Spitz Phantom	1 October 2020	1 October 2023	207,93	304,48	96,55
	1 April 2021	1 April 2024	210,21	369,93	159,72
Ciro Phantom	1 April 2021	1 April 2024	150,31	494,94	344,63

* *Represents prices at date of vesting.*

Key:

RESIS – Revised AVI Executive Share Incentive Scheme
AVI OPP – AVI Out-Performance Scheme
AVI DBSP – AVI Deferred Bonus Share Plan
Phantom – Various Business Unit Growth Phantom Share Schemes

Non-executive directors' emoluments

At the Annual General Meeting held on 8 November 2023 shareholders approved the fees payable to non-executive directors for their services to the Board and other Board committees for the 2024 financial year as follows:

Chairman of the Board	**R1 550 803**
Resident non-executive directors	**R486 000**
Chairman of the Audit and Risk Committee	**R335 609**
Members of the Audit and Risk Committee	**R156 598**
Chairman of the Remuneration, Nomination, and Appointments Committee	**R310 281**
Members of the Remuneration, Nomination, and Appointments Committee	**R142 477**
Chairman of the Social and Ethics Committee	**R156 598**
Members of the Social and Ethics Committee	**R104 957**
Foreign Chairman of the Board	**£100 000**
Foreign non-executive directors	**£39 999**
Foreign member of the Audit and Risk Committee	**£10 500**
Foreign member of the Remuneration, Nomination, and Appointments Committee	**£7 000**
Foreign member of the Social and Ethics Committee	**£6 500**

Non-binding advisory resolutions

At the next Annual General Meeting, in accordance with the recommendations of the King Code, shareholders will be able to vote separately on the remuneration policy and the implementation report. In the event that either the remuneration policy or the implementation report, or both, should be voted against by more than 25% of the voting rights exercised, the Company will engage with the dissenting voters with a view to addressing legitimate and reasonable objections and concerns raised.

CONTENTS

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

The financial statements of AVI Limited have been audited in compliance with section 30 of the Companies Act No. 71 of 2008, as amended, and have been prepared under the supervision of Justin O'Meara, CA(SA), the AVI Group Chief Financial Officer.

These consolidated annual financial statements were published on Monday, 9 September 2024.

The annual financial statements of the Company are presented separately from the consolidated annual financial statements and were approved by the directors on 6 September 2024, the same date as these consolidated annual financial statements.

The separate annual financial statements are available on the Company's website www.avi.co.za and at the Company's registered office.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and fair presentation of the consolidated annual financial statements of AVI Limited, comprising the balance sheet at 30 June 2024 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, the accounting policies and the notes to the financial statements, which include explanatory notes in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act of South Africa, and the directors' report.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the Company and its subsidiaries' ability to continue as going concerns and have no reason to believe that they will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the consolidated annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

CEO AND FINANCIAL DIRECTOR RESPONSIBILITY STATEMENT

Each of the directors, whose names are stated below, hereby confirm that –

(a) the annual financial statements set out on pages 116 to 188, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

(b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

(e) where we are not satisfied, we have disclosed to the audit committee and the auditors deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and

(f) we are not aware of any fraud involving directors.

SL CRUTCHLEY
Chief Executive Officer

JC O'MEARA
Chief Financial Officer
Designated Financial Director

6 September 2024

Extract from JSE guidance letter on directors' responsibility on financial controls dated 17 July 2020 to note for information purposes:

Materiality

In terms of the JSE Listings Requirements ("the Requirements") financial information must be prepared in accordance with IFRS Accounting Standards. The application of materiality is an important concept dealt with by IFRS Accounting Standards. The reference to materiality in paragraph (a) of the CEO and FD sign off must be interpreted in the context of IFRS Accounting Standards.

The second obligation under the CEO and FD sign off rule (as detailed in (b)) must be read in the context of paragraph (a). The term 'no' does not mean a one hundred percent factual correctness but rather that after due, careful and proper consideration the directors agree that no facts have been omitted or untrue statements made that would make the Annual Financial Statements ("AFS") materially false or materially misleading in terms of IFRS Accounting Standards.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The consolidated annual financial statements of AVI Limited, which appear on pages 116 to 123 and 128 to 188, were authorised for issue by the Board of directors on 6 September 2024 and are signed on their behalf.

MJ WATTERS
Non-executive Chairman
Authorised director

SL CRUTCHLEY
Chief Executive Officer
Authorised director

CERTIFICATE OF THE COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act No. 71 of 2008, as amended, I certify that, to the best of my knowledge and belief, the Company has lodged with the Companies and Intellectual Property Commission, for the financial year ended 30 June 2024, all such returns required of a public company in terms of the Companies Act No. 71 of 2008, as amended, and that all such returns are true, correct and up to date.

S SCHEEPERS
Company Secretary
Illovo, Johannesburg

6 September 2024

DIRECTORS' REPORT

Business of the Group

AVI Limited ("the Company"), which is registered and incorporated in the Republic of South Africa with a primary listing on the JSE Limited ("JSE") and a secondary listing on A2X, is a branded consumer products company. The Company registration number is 1944/017201/06. The Group comprises trading subsidiaries that manufacture, process, market and distribute branded consumer products in the food, beverage, footwear, apparel and cosmetics sectors.

Financial

The results of operations for the year are set out in the statement of comprehensive income on page 145.

Revenue and operating profit before capital items were as follows:

	2024 R'm	2023 R'm
Revenue	**15 862,3**	14 919,6
Operating profit before capital items	**3 304,6**	2 714,8

Further details are provided in the segmental report, which follows the Independent Auditor's Report.

A five-year summary of the Group's consolidated balance sheet, income statement and cash flow statement is presented on pages 29 to 31.

The Group remains cash generative, with sufficient borrowing facilities to manage disruptions to operational cash flows and to continue to support its business units.

Inventory and debtor provisions have been reviewed without any material movements in income statement adjustments compared to the prior period.

Going concern

The Group earned a net profit for the year ended 30 June 2024 of R2 257,7 million (2023: R1 836,9 million) and as of that date, its total assets exceeded its total liabilities by R5 784,9 million (2023: R5 116,9 million).

The trading environment remains particularly challenging given the volatility around currency, significant inflation, rising interest rates, the impact of load-shedding as well as the financial state of South Africa's consumers. The Group remains focused on optimising its return on capital, sustaining margin positions and achieving growth in its underlying businesses. We have seen improvements in most key performance indicators.

As part of preparing the financial results, the Group has performed a detailed going concern assessment. This assessment has relied on the Group's 2025 budget and has considered the profitability and solvency projections over the budget period. The budget for the year ahead was presented in the context of a challenging local economic environment, with the impacts thereof continuing to affect our customers through 2024 and 2025. Even under these conditions, the budget delivered shareholder value creation while maintaining stable capital and solvency positions throughout the cycle. As part of the budget process, a downside scenario was considered that examined a protracted inflation scenario in the midst of continuing infrastructure failures which will fuel inflation and reduce economic activity. The assessment shows that the Group remains sufficiently capitalised with appropriate levels of liquidity and no material uncertainty in relation to the going concern has been identified in the base budget as well as the downside scenario.

Based on the above, no material uncertainties that would require disclosure have been identified in relation to the ability of the Group to remain a going concern for at least the next 12 months. The directors therefore consider it appropriate for the going concern basis to be adopted in preparing the consolidated annual financial statements.

I&J BBBEE Transaction

The shareholder arrangement with Main Street 198 (Pty) Ltd ("Main Street"), the minority shareholder at I&J Holding Company (Pty) Ltd ("I&J HoldCo"), matured on 1 July 2023. The 19-year relationship between Main Street and the Group generated significant value, including over R202,0 million in net cash to Main Street. In terms of the agreements, and on the maturity date, the Company exercised its call option over the shares held by Main Street in I&J HoldCo and the preference shares held by the Company in Main Street were redeemed.

In line with our commitment to sustainable transformation, a broad-based sharing of economic value and the Broad-based Black Economic Empowerment ("BBBEE") codes, the Company and Irvin & Johnson Limited (I&J) implemented a new BBBEE transaction with effect from 1 July 2023 in terms of which Twincitiesworld (Pty) Ltd ("Twincitiesworld"), a 100% black-owned company, acquired an 18,75% interest in I&J Limited. I&J's employees own 6,25% of I&J Limited resulting in 25% of the issued share capital of I&J Limited being held by previously disadvantaged shareholders.

The mechanics of the replacement structure align closely with the terms of the expired relationship with Main Street, and is financed through a preference share investment at the I&J HoldCo level. The preference share funding will be settled through dividend flows with 90% of normal dividends received applied against the funding and 10% available as a trickle-through. Furthermore, a put and call option is in place between I&J HoldCo and Twincitiesworld, the exercise price of which is determined by a fixed formula based on I&J Limited's earnings. The exercise date of the put and call option is December 2036.

The replacement scheme has been recognised as a cash-settled share-based payment liability in the Group's financial statements with a concomitant non-cash expense of R15,2 million recognised in earnings.

Share capital

Details of the Company's authorised and issued share capital are given in Note 11 to the financial statements, on page 157.

Corporate activity

There have been no significant changes to investments during the year.

Issues and redemptions during the year

A summary of the movement in the number of ordinary shares in issue during the year is given in Note 11 to the financial statements, on page 157.

General authority for the Company to acquire its own shares

The directors consider that it will be advantageous for the Company to have a general authority to acquire its own shares. Such authority will be utilised if the directors consider that it is in the best interests of the Company and shareholders to effect such acquisitions having regard to prevailing circumstances and the cash resources of the Company at the appropriate time. Accordingly, shareholders will be asked to approve such general authority at the Annual General Meeting on 12 November 2024.

Dividends

Dividends, paid and proposed, are disclosed in Note 30 to the financial statements on page 166.

Directorate

Mr MJ Watters was appointed as Chairman of the Board with effect from 1 July 2023, after he was appointed as an independent non-executive director in the prior year. This followed Mr GR Tipper's resignation as Chairman and non-executive director with effect from 30 June 2023.

Mr JR Hersov resigned as a non-executive director with effect from 3 July 2023.

Ms MR Mouyeme was appointed to the Board as an independent non-executive director and as a member of the Audit and Risk Committee with effect from 1 August 2023.

Mr AM Thebyane resigned as a non-executive director with effect from 30 April 2024.

Ms VA Davies was appointed to the Board as an independent non-executive director and as Chair of the Remuneration, Nomination and Appointments Committee with effect from 1 June 2024.

There were no other changes to the Board for the year under review.

In terms of the Company's Memorandum of Incorporation, Mr SL Crutchley and Mr JC O'Meara retire at the forthcoming Annual General Meeting. All of the retiring directors, being eligible, offer themselves for re-election.

In terms of the Companies Act, the appointments of Mr SG Robinson (Chairman), Mrs A Muller and Ms MR Mouyeme to the Audit and Risk Committee need to be approved at the forthcoming Annual General Meeting.

Directors' service contracts

Standard terms and conditions of employment apply to executive directors, which, inter alia, provide for notice of termination of three months. Non-executive directors conclude service contracts with the Company on appointment. Their term of office is governed by the Memorandum of Incorporation which provides that one-third of the aggregate number of directors will retire by rotation at each Annual General Meeting, but may, if eligible, offer themselves for re-election.

Share schemes

Particulars of the Group's various share incentive schemes are set out in Note 32, on page 167 of the financial statements.

Directors' interests

The interests of the directors in the issued listed securities of the Company, being ordinary shares of 5 cents each, as at 30 June 2024 and 30 June 2023, are as follows:

	Direct number	Beneficial indirect number	% of total
At 30 June 2024			
SL Crutchley	**869 697**	**–**	**0,26**
JC O'Meara	**4 010**	**–**	**0,00**
M Koursaris	**115 836**	**–**	**0,03**
MJ Watters[1]	**500**	**–**	**0,00**
Total	**990 043**	**–**	**0,29**
At 30 June 2023			
SL Crutchley	840 201	–	0,25
JC O'Meara	1 454	–	0,00
M Koursaris	57 500	–	0,02
GR Tipper[2]	11 000	–	0,00
Total	910 155	–	0,27

There has been no change to the directors' interests reflected above since the reporting date.

[1] *Appointed as Chairman of the Board on 1 July 2023.*
[2] *Resigned 30 June 2023.*

Material shareholders

The Company does not have a holding company.

Ordinary shares

The beneficial holders of 3% or more of the issued ordinary shares of the Company at 30 June 2024, according to the information available to the directors, were:

	Number of ordinary shares	%
Government Employees Pension Fund	**72 284 124**	**21,3**
Allan Gray	**14 742 129**	**4,3**
Vanguard Investment Management	**12 798 353**	**3,8**

Special resolutions passed by the Company and registered by the Registrar of Companies

The following special resolutions have been passed by the Company since the previous directors' report dated 1 September 2023 to the date of this report:

- To approve the fees payable to the current non-executive directors, excluding the Chairman of the Board and the foreign non-executive director.
- To approve the fees payable to the Chairman of the Board.
- To approve the fees payable to the foreign non-executive Chairman of the Board.
- To approve the fees payable to the foreign non-executive director.
- To approve the fees payable to the members of the Remuneration, Nomination and Appointments Committee, excluding the Chairman of the committee.
- To approve the fees payable to the members of the Remuneration, Nomination and Appointments Committee, should the member be a foreign non-executive director.
- To approve the fees payable to the members of the Audit and Risk Committee, excluding the Chairman of the committee.
- To approve the fees payable to the members of the Audit and Risk Committee, should the member be a foreign non-executive director.
- To approve the fees payable to the non-executive members of the Social and Ethics Committee, excluding the Chairman of the committee.
- To approve the fees payable to the members of the Social and Ethics Committee, should the member be a foreign non-executive director.
- To approve the fees payable to the Chairman of the Remuneration, Nomination and Appointments Committee.
- To approve the fees payable to the Chairman of the Audit and Risk Committee.
- To approve the fees payable to the Chairman of the Social and Ethics Committee.
- To authorise, by way of a general approval, the Company or any of its subsidiaries to acquire ordinary shares issued by the Company in terms of the Companies Act and Listings Requirements of the JSE.

Post-reporting date events

No material events that meet the requirements of IAS 10 have occurred since the reporting date.

Share incentive scheme interests

The Revised AVI Limited Executive Share Incentive Scheme

Name	Date of award	Award price per instrument R	Instruments outstanding at 30 June 2023 number	Awarded number	Exercised number	Relinquished[1] number	**Instruments outstanding at 30 June 2024 number**
SL Crutchley	1 April 2019	89,27	115 929	–	–	(115 929)	**–**
	1 April 2020	69,75	361 080	–	–	–	**361 080**
	1 April 2021	73,85	392 674	–	–	–	**392 674**
	1 April 2022	69,23	450 295	–	–	–	**450 295**
	1 April 2023	66,48	511 125	–	–	(13 033)	**498 092**
	1 April 2024	91,54	–	408 319	–	–	**408 319**
JC O'Meara	1 October 2022	73,43	123 020	–	–	–	**123 020**
	1 October 2023	75,20	–	144 150	–	–	**144 150**
M Koursaris	1 April 2019	89,27	55 667	–	(1 903)	(53 764)	**–**
	1 April 2020	69,75	130 064	–	–	–	**130 064**
	1 April 2021	73,85	130 520	–	–	–	**130 520**
	1 April 2022	69,23	148 281	–	–	–	**148 281**
	1 April 2023	66,48	214 125	–	–	–	**214 125**
	1 April 2024	91,54	–	169 501	–	–	**169 501**
			2 632 780	721 970	(1 903)	(182 726)	**3 170 121**

[1] *The number of relinquished instruments represents instruments sacrificed in favour of AVI Limited Out-Performance Scheme options in terms of the rules of the AVI Limited Out-Performance Scheme.*

All options vest three years after grant date and lapse on the fifth anniversary of the grant date.

The AVI Limited Out-Performance Scheme

Name	Date of award	Award price per instrument R	Instruments outstanding at 30 June 2023 number	Awarded number	Lapsed* number	Forfeited number	**Instruments outstanding at 30 June 2024 number**
SL Crutchley	1 October 2020	72,42	102 237	–	(102 237)	–	**–**
	1 October 2021	79,98	99 516	–	–	–	**99 516**
	1 October 2022	72,99	118 861	–	–	–	**118 861**
	1 October 2023	74,00	–	128 962	–	–	**128 962**
JC O'Meara	1 October 2020	72,42	12 000	–	(12 000)	–	**–**
	1 October 2022	72,99	31 734	–	–	–	**31 734**
	1 October 2023	74,00	–	37 561	–	–	**37 561**
M Koursaris	1 October 2020	72,42	34 128	–	(34 128)	–	**–**
	1 October 2021	79,98	32 910	–	–	–	**32 910**
	1 October 2022	72,99	39 308	–	–	–	**39 308**
	1 October 2023	74,00	–	53 764	–	–	**53 764**
			470 694	220 287	(148 365)	–	**542 616**

All instruments vest three years after award date. Instruments are converted to shares if the performance requirements are met on the measurement date.

* *In the year the performance criteria around the Total Shareholder Return ("TSR") achieved were not met and consequently these shares did not vest and lapsed.*

The AVI Limited Deferred Bonus Share Plan

Name	Date of award	Award price per instrument R	Instruments outstanding at 30 June 2023 number	Awarded number	Exercised number	Forfeited number	**Instruments outstanding at 30 June 2024 number**
SL Crutchley	1 October 2020	74,52	29 496	–	(29 496)	–	**–**
	1 October 2021	86,04	85 280	–	–	–	**85 280**
	1 October 2022	73,43	219 682	–	–	–	**219 682**
	1 June 2023	63,58	159 194	–	–	–	**159 194**
	1 October 2023	75,20	–	197 495	–	–	**197 495**
JC O'Meara	1 October 2020	74,52	4 726	–	(4 726)	–	**–**
	1 October 2021	86,04	1 922	–	–	–	**1 922**
	1 October 2022	73,43	28 433	–	–	–	**28 433**
	1 June 2023	63,58	51 003	–	–	–	**51 003**
	1 October 2023	75,20	–	47 542	–	–	**47 542**
M Koursaris	1 October 2020	74,52	8 010	–	(8 010)	–	**–**
	1 October 2021	86,04	23 288	–	–	–	**23 288**
	1 October 2022	73,43	60 718	–	–	–	**60 718**
	1 June 2023	63,58	80 371	–	–	–	**80 371**
	1 October 2023	75,20	–	68 050	–	–	**68 050**
			752 123	313 087	(42 232)	–	**1 022 978**

All instruments vest three years after award date. Upon vesting, the shares become unrestricted in the hands of participants.

Earnings-linked performance bonus liabilities

Name	Date of award	Award price per instrument R	Instruments outstanding at 30 June 2023 number	Awarded number	Exercised number	Relinquished[1] number	**Instruments outstanding at 30 June 2024 number**
JC O'Meara	1 October 2019	3 212,90	461	–	(461)	–	**–**
	1 October 2019	3 706,10	400	–	–	(400)	**–**
	1 October 2020	3 824,15	411	–	–	–	**411**
	1 October 2020	3 532,75	445	–	–	(56)	**389**
	1 October 2021	3 637,51	312	–	–	–	**312**
	1 October 2021	3 870,30	284	–	–	(284)	**–**
			2 313	–	(461)	(740)	**1 112**

Senior management are eligible to participate in an earnings-linked performance share option scheme which is accounted for in terms of IAS 19 – *Employee Benefits* as the benefit payment is based on the Company's headline earnings. All instruments vest three years after award date. These share options can be exercised after a three-year vesting period, at which point participants receive the benefit in cash determined as the difference between the notional share price calculated on vesting date and the award date share price. Upon vesting, the options become unrestricted in the hands of participants and lapse two years and 91 days after vesting date. Refer to Note 14 for details on the total liability at year end.

[1] *The number of relinquished instruments represents instruments sacrificed in favour of AVI Limited Out-Performance Scheme options in terms of the rules of the AVI Limited Out-Performance Scheme.*

Emoluments

	2024						
	Salary R'000	Bonus and performance-related payments R'000	Pension fund contributions R'000	Gains on exercise of share incentive instruments* R'000	Other benefits and allowances R'000	Total R'000	2023** R'000
Executive directors							
SL Crutchley	**14 433**	**21 602**	**1 137**	**2 023**	**2 444**	**41 639**	54 392
JC O'Meara	**4 930**	**4 682**	**459**	**649**	**170**	**10 890**	11 407
M Koursaris	**7 032**	**7 378**	**875**	**599**	**50**	**15 934**	19 422
	26 395	**33 662**	**2 471**	**3 271**	**2 664**	**68 463**	85 221

* *Gains on exercise of share incentive instruments represent the actual gain received by the director on exercising vested share incentive instruments.*

** *Includes special retention bonuses paid to identified Group executive management by approval of the Remuneration Committee, as follows:*
SL Crutchley – R13,3 million
JC O'Meara – R3,5 million
M Koursaris – R5,3 million

The above directors' emoluments were paid by another AVI Group company.

	2024 R'000	2023 R'000
Non-executive directors' and committee fees		
GR Tipper (Chairman)[1]	**–**	2 082
MJ Watters (Chairman)[2,3]	**3 071**	285
JR Hersov[4]	**2**	450
MJ Bosman[5]	**–**	442
SG Robinson[6]	**822**	346
A Muller	**919**	851
AM Thebyane[7]	**585**	737
B Silwanyana[8]	**–**	684
MR Mouyeme[9]	**694**	–
VA Davies[10]	**179**	–
Total non-executive directors' and committee fees	**6 272**	5 877
Total directors' emoluments	**74 735**	91 098

Details relating to the Group's remuneration practices are set out in the Remuneration Report on pages 95 to 111.

The IFRS 2 expense recognised in profit or loss in respect of share incentive instruments granted to directors is as follows:

	2024 R'000	2023 R'000
SL Crutchley	**22 708**	15 194
JC O'Meara	**4 543**	1 711
M Koursaris	**7 705**	4 765
	34 956	21 670

[1] *Resigned 30 June 2023.*
[2] *Paid in UK Pounds.*
[3] *Appointed 1 June 2023.*
[4] *Resigned 3 July 2023.*
[5] *Resigned 30 January 2023.*
[6] *Appointed 1 March 2023.*
[7] *Resigned 30 April 2024.*
[8] *Resigned 27 June 2023.*
[9] *Appointed 1 August 2023.*
[10] *Appointed 1 June 2024.*

AUDIT COMMITTEE REPORT

The Audit Committee is pleased to present its report for the financial year ended 30 June 2024 in terms of section 94(7)(f) of the Companies Act No. 71 of 2008, as amended ("the Companies Act").

The Audit Committee has adopted formal terms of reference, delegated to it by the Board of directors, as its charter. The charter is in line with the Companies Act, the King IV Report on Corporate Governance for South Africa 2016 ("King IV") and the JSE Listings Requirements. The committee has discharged the functions delegated to it in terms of its charter. The Audit Committee's process is supported by the operating subsidiary companies which have internal review committees that monitor risk management and compliance activities. There is a formal reporting line from the various internal review committees into the Audit Committee via the Group's Chief Financial Officer.

During the year under review the committee performed the following statutory duties:

1. Reviewed and recommended for adoption by the Board such financial information as is publicly disclosed which for the year included:
   - The interim results for the six months ended 31 December 2023; and
   - The annual financial statements for the year ended 30 June 2024.
2. Considered and satisfied itself that the external auditors Ernst & Young Inc. are independent.
3. Approved the external auditor's budgeted fees and terms of engagement for the 2024 financial year.
4. Determined the non-audit related services which the external auditors were permitted to provide to AVI and reviewed the policy for the use of the external auditors for non-audit related services. All non-audit related service agreements between the AVI Group and the external auditors were pre-approved.
5. Satisfied itself that the necessary documentation and confirmations in terms of the JSE Listings Requirements were obtained from the external auditors.
6. Resolved that KPMG Inc. would continue to perform the internal audit function during the financial year.
7. Reviewed the Audit Committee charter in line with King IV recommendations.
8. Reviewed the internal audit charter in line with King IV recommendations.
9. Confirmed the internal audit plan for the 2024 financial year.
10. Ensured that appropriate financial reporting procedures exist and that they are working.
11. Confirmed that adequate whistle-blowing facilities were in place throughout the AVI Group and reviewed and considered actions taken with regard to incident reports.
12. Held separate meetings with management, the external and internal auditors to discuss any problems and reservations arising from the year end audit and other matters that they wished to discuss.
13. Noted that it had not received any complaints, either from within or outside the Company, relating either to the accounting practices, the internal audits, the content or auditing of the financial statements, the internal financial controls or any other related matter.
14. Conducted a self-evaluation exercise into its effectiveness.
15. Reviewed the suitability of Ernst & Young Inc., for re-appointment by considering, inter alia, the information stated in paragraph 22.15(h) of the JSE Listings Requirements.
16. Recommended to the Board the re-appointment of Ernst & Young Inc. as the external auditors and appointment of Mr A Carshagen as the registered auditor responsible for the audit for the year ending 30 June 2025, which will be considered at the forthcoming Annual General Meeting.
17. Evaluated and satisfied itself as to the appropriateness of the expertise and experience of the Company's financial director.
18. Satisfied itself as to the expertise, resources and experience of the Company's finance function.
19. Evaluated the underlying assessment performed by the CEO and financial director to support their declaration required in terms of section 3.84(k) of the JSE Listings Requirements and are satisfied that it supports the declaration made.

For further details regarding the Audit Committee, shareholders are referred to the Corporate Governance Report on page 86.

On behalf of the Audit Committee

SG ROBINSON
Audit Committee Chairman

6 September 2024

INDEPENDENT AUDITOR'S REPORT

To the shareholders of AVI Limited

Report on the Audit of the Consolidated Annual Financial Statements

Opinion

We have audited the consolidated annual financial statements of AVI Limited and its subsidiaries ("the Group") set out on pages 120 to 122 and 128 to 185, which comprise of the directors' remuneration report, the segment reporting, the consolidated balance sheet as at 30 June 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated annual financial statements, including material accounting policy information.

In our opinion, the consolidated annual financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Statements section of our report. We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors ("IRBA Code") and other independence requirements applicable to performing audits of financial statements of the Group and in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits of the Group and in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated annual financial statements of the current period. These matters were addressed in the context of our audit of the consolidated annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated annual financial statements . The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated annual financial statements.

Key Audit Matter	How the matter was addressed in the audit

Impairment assessment of intangible assets and goodwill

Management performs an impairment test on the recoverability of the intangibles as well as the goodwill as required by IFRS Accounting Standards as issued by the International Accounting Standards Board which is subjective in nature due to the estimates having to be made of future performance.

The Group's goodwill and trademarks' value mainly relates to footwear and apparel and the personal care businesses.

As disclosed in Note 3 to the consolidated annual financial statements (Intangible Assets and Goodwill), the Group uses a discounted cash flow model to determine the value in use for each cash-generating unit.

During the current year, certain macro-economic factors have continued to have a significant impact on the current economic climate by affecting the spending patterns of consumers which continues to evolve between various products and regions.

As a result, this has created uncertainties around the revenue and growth rate assumptions of the footwear and apparel as well as the personal care businesses. These factors have led to continued uncertainty around the timing and amount of future cash flows, when they are already inherently uncertain.

Given the above, impairment testing, particularly in the footwear and apparel as well as the personal care businesses required significant auditor attention in the current year and the involvement of our valuation specialists.

Our audit procedures included, amongst others:

- We involved the internal valuation specialists in our team to assist in evaluating management's impairment methodology and key assumptions used in the impairment calculations;
- Together with the internal valuation specialists we performed the following:
  - Assessed management's impairment methodology by comparing it to best practices and the requirements of IAS 36; and
  - Calculated independent weighted average cost of capitals ("WACCs") to compare to management's WACCs. Our independent WACC recalculation was based on publicly available market data for comparable companies for each of the material cash-generating units ("CGUs");
- For assumptions based on historical results, we compared the cash flow forecasts to past performance (particularly as it relates to historical working capital levels and gross profit margins);
- For assumptions based on future trends and where the risk of a weakened economy is present:
  - We vouched CPI assumptions to current market information, which we obtained externally;
  - We stress tested the footwear and apparel and personal care businesses' revenue cash flows by determining the impact of delayed economic growth, by pushing the cashflow forecasts out by one year; and
  - We have considered the actual trading results of the footwear and apparel and personal care businesses post year end in our assessment of the reasonability of the revenue cash flow projections.
- We have performed sensitivity analyses around all the key assumptions used in the impairment model.
- We did this by increasing and decreasing the following assumptions in the model to determine the impact on the headroom between the value of the recorded assets of the CGU and the value in use as calculated by the impairment calculation model:
  - The WACC used to discount the cash flows;
  - Revenue and overheads;
  - Gross profit margins; and
  - Working capital requirements.
- We assessed the historical reliability of cash flow forecasts prepared by management through a review of actual past performance compared to previous forecasts to understand management's ability to accurately estimate future cash flows;
- We assessed historical forecasts obtained and compared these to forecasts obtained in the current year to determine management's ability to forecast accurately taking into consideration circumstances and events which arose during the financial year which were not known or present in prior years; and
- We assessed the disclosures relating to goodwill and trademarks in terms of IAS 36.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 194-page document titled "AVI 2024 Integrated Annual Report", which includes the Directors' Report, the Audit Committee's Report and the Certificate of the Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Annual Report, which is made available to us after that date. The other information does not include the consolidated annual financial statements and our auditor's reports thereon.

Our opinion on the consolidated annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated annual financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated annual financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal controls as the directors determine is necessary to enable the preparation of consolidated annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial statements, including the disclosures, and whether the consolidated annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. has been the auditor of AVI Limited for seven years.

Ernst & Young Inc.

ERNST & YOUNG INC.
DIRECTOR – ALLISTER CARSHAGEN
Registered Auditor
Chartered Accountant (SA)
102 Rivonia Road
Sandton

6 September 2024

SEGMENT REPORTING

	Food & beverage brands					
	National Brands					
	Entyce Beverages		Snackworks		Total	
	2024 R'm	2023 R'm	**2024 R'm**	2023 R'm	**2024 R'm**	2023 R'm
Revenue	**5 025,4**	4 251,6	**5 597,9**	5 261,2	**10 623,3**	9 512,8
Total segment revenue	**5 025,4**	4 251,6	**5 597,9**	5 261,2	**10 623,3**	9 512,8
Intersegment revenue	**–**	–	**–**	–	**–**	–
Revenue from contracts with customers	**5 025,4**	4 251,6	**5 597,9**	5 261,2	**10 623,3**	9 512,8
Segment operating profit/(loss) before capital items	**1 300,1**	920,2	**1 270,9**	1 038,4	**2 571,0**	1 958,6
Share of equity-accounted earnings/(losses) of joint ventures	**–**	–	**–**	–	**–**	–
Income from investments					**4,9**	5,8
Finance cost					**(202,3)**	(173,9)
Taxation					**(650,3)**	(501,9)
Segment profit/(loss) before capital items					**1 723,3**	1 288,6
Capital items (after tax)						
Profit for the year						
Segment assets					**4 832,7**	4 292,0
Segment liabilities					**3 462,0**	3 060,1
Additions to property, plant and equipment					**330,4**	244,6
Depreciation and amortisation					**219,6**	243,1
Depreciation on property, plant and equipment					**193,5**	213,7
Depreciation on right-of-use assets					**18,9**	17,0
Amortisation					**7,2**	12,4
Impairment losses					**(0,2)**	2,2
Number of employees at year end					**2 410**	2 520

* *Includes AVI Field Marketing Services. Costs attributable to AVI Field Marketing Services have been allocated to the appropriate segments.*

		Fashion brands							
I&J		Personal Care		Footwear & Apparel		Corporate & consolidation		Total	
2024 R'm	2023 R'm	2024 R'm	2023 R'm	2024 R'm	2023 R'm	2024 R'm	2023 R'm	2024 R'm	2023 R'm
2 459,2	2 486,6	**1 022,5**	1 223,3	**1 757,3**	1 696,9	**–**	–	**15 862,3**	14 919,6
2 459,2	2 486,6	**1 022,5**	1 223,3	**1 757,3**	1 696,9	**179,9**	165,2	**16 042,2**	15 084,8
–	–	**–**	–	**–**	–	**(179,9)**	(165,2)	**(179,9)**	(165,2)
2 459,2	2 486,6	**1 022,5**	1 223,3	**1 757,3**	1 696,9	**–**	–	**15 862,3**	14 919,6
199,7	196,8	**220,0**	233,1	**340,8**	354,8	**(26,9)**	(28,5)	**3 304,6**	2 714,8
(3,2)	2,1	**–**	–	**–**	–	**–**	–	**(3,2)**	2,1
3,5	1,7	**0,1**	–	**1,9**	0,4	**4,4**	0,1	**14,8**	8,0
(12,4)	(13,0)	**(0,1)**	(0,2)	**(27,8)**	(21,8)	**43,3**	10,0	**(199,3)**	(198,9)
(59,4)	(52,9)	**(40,3)**	(43,6)	**(67,1)**	(74,1)	**(27,1)**	(23,3)	**(844,2)**	(695,8)
128,2	134,7	**179,7**	189,3	**247,8**	259,3	**(6,3)**	(41,7)	**2 272,7**	1 830,2
								(15,0)	6,7
								2 257,7	1 836,9
2 961,1	3 119,3	**909,2**	964,1	**1 913,0**	2 021,3	**(306,3)**	(194,9)	**10 309,7**	10 201,8
944,2	1 203,7	**584,4**	623,0	**1 304,8**	1 375,4	**(1 770,6)**	(1 177,3)	**4 524,8**	5 084,9
83,7	139,2	**15,9**	16,8	**45,2**	75,0	**1,3**	6,6	**476,5**	482,2
143,9	136,5	**13,8**	19,5	**163,6**	161,6	**6,9**	6,6	**547,8**	567,3
122,9	115,4	**12,3**	17,6	**38,4**	37,8	**7,0**	5,3	**374,1**	389,8
19,6	19,7	**0,1**	0,3	**124,7**	123,2	**–**	–	**163,3**	160,2
1,4	1,4	**1,4**	1,6	**0,5**	0,6	**(0,1)**	1,3	**10,4**	17,3
0,4	–	**–**	–	**–**	–	**–**	–	**0,2**	2,2
1 828	1 990	**264**	322	**860**	946	**3 575***	3 442*	**8 937**	9 220

Basis of segment presentation

The segment information has been prepared in accordance with IFRS 8 – *Operating Segments* ("IFRS 8") which defines the requirements for the disclosure of financial information of an entity's operating segments. The standard requires segmentation based on the Group's internal organisation and internal accounting presentation of revenue and operating profit.

Identification of reportable segments

The Group discloses its reportable segments according to the entity components that management monitor regularly in making decisions about operating matters. The reportable segments comprise various operating segments primarily located in South Africa.

The revenue and operating assets are further disclosed within the geographical areas in which the Group operates. Segment information is prepared in conformity with the basis that is reported to the CEO, who is the chief operating decision maker, in assessing segment performance and allocating resources to segments. These values have been reconciled to the consolidated annual financial statements. The basis reported by the Group is in accordance with the accounting policies adopted for preparing and presenting the consolidated annual financial statements.

Segment revenue excludes Value Added Taxation and includes intersegment revenue. Revenue from contracts with customers represents segment revenue from which intersegment revenue has been eliminated. Sales between segments are made on a commercial basis.

Segment operating profit before capital items represents segment revenue less segment operating expenses, excluding capital items included in Note 23.

Segment expenses include direct and allocated expenses. Depreciation and amortisation have been allocated to the segments to which they relate.

The segment assets comprise all assets that are employed by the segment and that either are directly attributable to the segment, or can be allocated to the segment on a reasonable basis.

The number of employees per segment represents the total number of permanent and full time equivalents at year end.

Reportable segments

National Brands

Entyce Beverages

Revenue in this segment is derived from the sale of tea, coffee and creamer, primarily in South Africa and neighbouring countries.

The coffee category includes the supply of premium ground coffee and beverage service solutions to the out-of-home consumption market including hotels, caterers, restaurants and corporates.

Snackworks

The principal activity within this segment is the sale of a full range of sweet and savoury biscuits and baked and fried potato and maize snacks, primarily in South Africa and neighbouring countries.

I&J

I&J catches fish in South African waters and processes, markets and distributes premium quality value-added seafood in local and international markets.

Fashion brands

Fashion brands provide personal care and footwear and apparel offerings.

Personal Care

Indigo Brands, which forms the base for the personal care segment, creates, manufactures and distributes leading body spray, fragrance, cosmetics and body lotion products. These products are sold primarily in South Africa and neighbouring countries.

Footwear and Apparel

Spitz, Kurt Geiger, Green Cross and Gant make up the footwear and apparel segment and retail a portfolio of owned and licensed footwear and apparel brands in South Africa.

Reportable segments continued

Corporate

The corporate office provides strategic direction, as well as financial, treasury and legal services to the largely autonomous subsidiaries.

Other entities in this segment comprise the various staff share scheme trusts.

No operating segments have been aggregated to form the above reportable operating segments.

Geographical information

The Group's operations are principally located in South Africa.

Major customers

The Group's most significant customers, being two South African retailers, individually contribute more than 10% of the Group's revenue (R4 566,1 million in the current year and R3 934,7 million in the previous year) in the National Brands, I&J and Personal Care segments.

	2024		2023	
Segmental revenue by market	**R'm**	**%**	R'm	%
The Group's consolidated revenue by geographic market, regardless of where goods were produced, was as follows:				
South Africa	**12 895,5**	**81,3**	11 944,5	80,1
Other African countries	**1 352,4**	**8,5**	1 338,0	9,0
Europe	**1 140,1**	**7,2**	1 136,1	7,6
Rest of the world	**474,3**	**3,0**	501,0	3,3
Total segmental revenue	**15 862,3**	**100,0**	14 919,6	100,0
Analysis of non-current assets* by geographic area				
South Africa	**4 599,7**	**98,6**	4 560,1	98,9
Other African countries	**62,5**	**1,3**	45,8	1,0
Europe	**6,8**	**0,1**	3,2	0,1
Rest of the world	**–**	**–**	–	–
	4 669,0	**100,0**	4 609,1	100,0

* *Comprises non-current assets less deferred tax assets and other long-term assets.*

ACCOUNTING POLICIES

AVI Limited ("the Company") is a South African registered company. The consolidated annual financial statements of the Company for the year ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as "the Group" or "AVI") and the Group's interest in a joint venture.

Statement of compliance

The consolidated annual financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), in compliance with JSE Listings Requirements, the interpretations adopted by the International Accounting Standards Board ("IASB"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa. The consolidated annual financial statements were approved for issue by the Board of directors on 6 September 2024.

Basis of preparation

These consolidated annual financial statements are prepared in millions of South African Rands ("R'm"), which is the Company's functional currency, on the historical cost basis, except for the following assets and liabilities which are stated at their fair value:

- derivative financial instruments;
- biological assets; and
- liabilities for cash-settled share-based payment arrangements.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about areas of estimation that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:
Note 1 – useful lives and residual values of property, plant and equipment;
Note 3 – useful lives and impairment tests on intangible assets;
Note 6 – utilisation of tax losses;
Note 8 – valuation of biological assets;
Note 13 – lease terms applied in calculating lease liabilities;
Note 14 – measurement of defined benefit obligations; and
Note 33 – measurement of cash–settled share–based payment liabilities relating to BBBEE transactions.

The accounting policies set out below have been applied consistently in the periods presented in these consolidated annual financial statements. There are no new, revised or amended accounting standards, effective 1 July 2023, applicable to the Group.

International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 – *Income Taxes* have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes. Furthermore, the Group has reviewed its corporate structure in light of the introduction of Pillar Two Model Rules in various jurisdictions. Since the Group's effective tax rate is well above 15% in all jurisdictions in which it operates, it has determined that it is not subject to Pillar Two "top-up" taxes. Therefore, the consolidated financial statements do not include information required by paragraphs 88A-88D of IAS 12.

New standards and interpretations in issue not yet effective

The Group continuously evaluates the impact of new accounting standards, amendments to accounting standards and interpretations and assesses these for applicability to the Group. The new accounting standards and amendments to accounting standards issued which are material to the Group, but not yet effective on 30 June 2024, include:

IFRS 18 – Presentation and Disclosure of Financial Statements

The new standard on presentation and disclosure in financial statements focuses on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Group is still assessing the impact of these amendments which are effective for the Group's annual reporting period beginning on 1 July 2027.

Basis of consolidation

Subsidiaries

The consolidated annual financial statements include the financial statements of the Company and its subsidiaries. Where an investment in a subsidiary is acquired or disposed of during the financial year its results are included from, or to, the date control commences or ceases. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

Subsidiaries are those entities controlled by the Company. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Losses applicable to non-controlling interests in a subsidiary are allocated to the non-controlling interest even if doing so causes the non-controlling interest to have a deficit balance.

Joint arrangements

Joint arrangements are those entities in respect of which there is a contractual agreement whereby the Group and one or more other parties undertake an economic activity, which is subject to joint control.

A joint venture is an arrangement over which the Group has joint control, where the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group's participation in joint ventures is accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, until the date on which joint control ceases, the consolidated annual financial statements include the Group's share of profit or loss and other comprehensive income of the equity-accounted investees offset by dividends received.

Eliminations on consolidation

Intra-group balances and transactions, and any unrealised gains or losses arising from intra-group transactions, are eliminated in preparing the consolidated annual financial statements. Unrealised gains arising from transactions with joint ventures are eliminated to the extent of the Group's interest in these enterprises. Unrealised losses on transactions with joint ventures are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

Goodwill

All business combinations are accounted for by applying the "acquisition method", as at acquisition date, which is the date on which control is transferred to the Group. The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in profit or loss.

Basis of consolidation continued

Goodwill continued

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

A bargain purchase gain arising on an acquisition is recognised directly in profit or loss as a capital item.

Transaction costs that the Group incurs in connection with a business combination are expensed as incurred.

Broad-based Black Economic Empowerment ("BBBEE") transactions

Where BBBEE transactions involve the disposal or issue of equity interests in subsidiaries, although economic and legal ownership of such instruments may have transferred to the BBBEE participant, the derecognition of such equity interests sold or recognition of equity instruments issued in the underlying subsidiary by the parent shareholder is postponed whilst the parent shareholder is deemed to control the underlying subsidiary per the requirements of IFRS 10 – *Consolidated Financial Statements*.

Where BBBEE transactions involving equity instruments issued to external parties are expected to be settled in cash, a cash-settled share-based payment liability is recognised at the fair value of the amount expected to vest to BBBEE participants.

Where BBBEE transactions involving equity instruments issued to employees are expected to be settled in cash, an employee benefit liability is recognised at the present value of future cash flows expected to vest to participants, measured using the projected unit credit method.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of an asset, that requires a substantial period of time to prepare for its intended use, are capitalised. Interest is capitalised over the period during which the qualifying asset is being acquired or constructed and where expenditure for the asset and borrowings have been incurred. Capitalisation ceases when the construction is interrupted for an extended period or when the qualifying asset is substantially complete. All other borrowing costs are recognised in profit or loss using the effective interest method.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash balances on hand, deposits held on call with banks, net of overdrafts forming part of the Group's cash management, all of which are available for use by the Group unless otherwise stated.

Capital items

Capital items are items of income and expenses relating to the acquisition, disposal or impairment of investments, businesses, property, plant and equipment and intangible assets.

Capital items relate to separately identifiable remeasurements (not adjusted for related taxation and related non-controlling interests) other than remeasurements specifically included in headline earnings as defined in Circular 01/2023 – *Headline earnings*.

Dividends payable

Dividends payable are recognised in the period in which such dividends are declared.

Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognised in profit or loss during the period in which the employee renders the related service.

The accruals for employee entitlements to salaries, performance bonuses and annual leave represent the amounts which the Group has a present obligation to pay as a result of employees' services provided to the reporting date. The accruals have been calculated at undiscounted amounts based on current salary levels at the reporting date.

Defined contribution plans

The Group provides defined contribution plans for the benefit of employees, the assets of which are held in separate funds. These funds are funded by payments from employees and the Group. The Group's contributions to defined contribution plans are charged to profit or loss in the year to which they relate.

Employee benefits continued

Defined benefit obligations

The Group's obligation to provide post-retirement medical aid benefits is a defined benefit obligation. The projected unit credit method is used to measure the present value of the obligation and the cost of providing these benefits.

Current service costs and interest costs are recognised in profit or loss in the period incurred.

Remeasurements, comprising actuarial gains and losses, are recognised immediately through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-retirement and pension plans is the amount of future benefit that employees have earned in return for their services in the current and prior periods.

That benefit is discounted to determine its present value and the fair value of any related assets is deducted. The calculation of benefits is performed using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw from the offer of those benefits and when the Group recognises costs for a restructuring. If the benefits are payable more than 12 months after the reporting date, they are discounted to their present value.

Share-based payment transactions

Group share-based payment transactions

Transactions in which a parent grants rights to its own equity instruments directly to the employees of its subsidiaries are classified as equity-settled in the financial statements of the parent. The subsidiary classifies these transactions as equity-settled in its financial statements where it has no obligation to settle the share-based payment transaction.

The subsidiary recognises the services acquired as a result of the share-based payment as an expense and recognises a corresponding increase in equity as a capital contribution from the parent for those services acquired. The parent recognises in equity the equity-settled share-based payment and recognises a corresponding increase in the investment in subsidiary.

Equity-settled

The fair value of share options granted to Group employees is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and expensed over the period during which the employee becomes unconditionally entitled to the equity instruments. The fair value of the instruments granted is measured using generally accepted valuation techniques, taking into account the terms and conditions upon which the instruments are granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is due only to market conditions not being met.

Cash-settled

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employee becomes unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised in profit or loss.

BBBEE transactions

Where goods or services are considered to have been received from black economic empowerment partners as consideration for equity instruments of the Group, these transactions are accounted for as share-based payment transactions, even when the entity cannot specifically identify the goods or services received.

Fair value measurement

The Group measures financial instruments, such as derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:
- Note 8 – Biological assets
- Note 36 – Financial assets and liabilities

Financial instruments

Financial instruments are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs when the Group becomes a party to the contractual arrangements. Subsequent to initial recognition, these instruments are measured in accordance with their classification as set out below:

Financial asset classification and measurement

Financial assets are classified into the following three principal categories: financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and debt instruments at amortised cost. The classification depends on the contractual cash flow characteristics and the business models for managing the financial assets, and is determined at the time of initial recognition.

The Group does not have any financial assets at fair value through other comprehensive income.

Debt instruments, derivatives and equity instruments at fair value through profit or loss ("FVTPL")
Financial assets are classified as at FVTPL when the financial asset is (i) held for trading, or (ii) it is designated as FVTPL.

A financial asset is classified as held for trading if:
- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Financial instruments continued

Debt instruments at amortised cost

Debt instruments at amortised cost (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Amortised cost is calculated considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

The Group measures financial assets at amortised cost if both of the following conditions are met:
- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial liability classification and measurement

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities at fair value through profit or loss ("FVTPL")

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as FVTPL.

A financial liability is classified as held for trading if:
- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Offset

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the Group has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derivative instruments

The Group uses derivative financial instruments to manage its exposure to risks arising from operational, financing and investment activities. The Group does not hold or issue derivative financial instruments for trading purposes.

Subsequent to initial recognition, derivative instruments are measured at fair value through profit or loss. Fair value is determined by comparing the contracted rate to the current rate of an equivalent instrument with the same maturity date. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

Hedging

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income and presented in the cash flow hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged firm commitment or forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the cumulative amount recognised in equity up to the transaction date is adjusted against the initial measurement of the asset or liability. For other cash flow hedges, the cumulative amount is recognised in profit or loss in the period when the commitment or forecast transaction affects profit or loss.

Where the hedging instrument or hedge relationship is terminated or no longer meets the criteria for hedge accounting but the hedged transaction is still expected to occur, the cumulative unrealised gain or loss at that point remains in equity and is recognised in profit or loss when the underlying transaction occurs. If the hedged transaction is no longer expected to occur, the cumulative unrealised gain or loss is recognised in profit or loss immediately.

Where a derivative financial instrument is used to hedge economically the foreign exchange exposure of a recognised monetary asset or liability, no hedge accounting is applied and any gain or loss on the hedging instrument is recognised in profit or loss.

Financial instruments continued

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to South African Rand, being the functional currency of the Company, at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to South African Rand at the exchange rates ruling at that date. Gains or losses on translation are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currency are translated using the exchange rate at the date of the transaction.

Foreign operations

The assets and liabilities of all foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to South African Rand at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated to South African Rand at approximate foreign exchange rates ruling at the date of the transactions. Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity. The foreign currency translation reserve applicable to a foreign operation is released to profit or loss upon disposal of that foreign operation.

Impairment of non-financial assets

The carrying amounts of the Group's assets other than deferred tax assets, biological assets, inventories and financial assets which are separately assessed and provided against where necessary, are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated.

For goodwill and intangible assets that have an indefinite useful life, the recoverable amount is estimated at least annually.

The recoverable amount of assets is the greater of their fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs. Subject to an operating segment ceiling test (before aggregation of segments), for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Impairment losses are recognised in profit or loss as a capital item, when the carrying amount exceeds the recoverable amount.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine a higher recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised, and when the indication of impairment no longer exists.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Impairment of financial assets continued

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts, taking into account credit enhancements that are part of the contractual terms and that are not recognised separately by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For trade receivables, the Group applies a simplified approach in calculating ECLs. The Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Intangible assets

Intangible assets, excluding goodwill, acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets, unless such lives are indefinite. Where the useful life of an intangible asset is assessed as indefinite, the intangible asset is not amortised, but is tested annually for impairment.

Subsequent expenditure on acquired intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, and expenditure on internally generated goodwill and brands, is recognised in profit or loss as an expense when incurred.

Inventories

Inventories are stated at the lower of cost and net realisable value.

The cost of inventories is based on the first-in-first-out method or a weighted average cost basis, whichever is applicable, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. The cost of items transferred from biological assets is their fair value less costs to sell at the date of transfer.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Biological assets

Biological assets comprise abalone stock farmed by I&J.

Biological assets are stated at fair value less estimated costs to sell. Costs to sell include all costs that would be necessary to sell the assets, excluding costs necessary to get the assets to market.

The valuation takes into consideration estimated growth rates and mortality (refer Note 8 for a description of the methodology used for the estimation of growth rates and mortality rates). The market prices are derived from observable market prices and realised prices. The prices are reduced for estimated harvesting costs, processing costs, freight costs and other selling costs, to determine the net fair value.

The fair value of biological assets are categorised as Level 3 fair values as defined.

The net gain or loss arising from the change in the fair value of abalone stock is recognised in profit and loss in the period in which they arise.

Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. An identified asset is physically distinct, or if not physically distinct, the lessee has the right to use substantially all of the capacity of the asset during the lease term. If a contract contains more than one lease component, or a combination of leasing and selling transactions, the consideration is allocated to each of the lease and non-lease components on conclusion, and on each subsequent measurement, of the contract on the basis of their relative stand-alone selling prices.

Lessee

Leases are accounted for based on a right-of-use model. The model reflects that, at the commencement date, a lessee has a financial obligation to make lease payments to the lessor for its right to use the underlying asset during the lease term. The lessor conveys that right to use the underlying asset at lease commencement, which is the time when it makes the underlying asset available for use by the lessee.

Leases continued

Lessee continued

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The lease term also takes into account the likelihood of exercising a renewal option.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment regarding purchase of the underlying asset.

Variable lease payments

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

Certain of the Group's retail outlets are subject to contingent rentals which are determined with reference to the respective store's annual turnover. Turnover rentals are calculated as a percentage of the value of sales that exceed agreed targets, and expensed as part of variable lease payments when incurred.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group currently does not have any finance leases.

Operating lease payments are recognised as income on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as income in the period in which they are earned.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment (including leasehold improvements), are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items. Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Vessels

Major vessel reconstructions are capitalised where such reconstructions extend the useful life of a vessel. The reconstruction is written off over the remaining expected useful life of the vessel.

Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value, over the estimated useful life. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Depreciation of an item of property, plant and equipment begins when it is available for use and ceases at the earlier of the date it is classified as held-for-sale or the date that it is derecognised upon disposal. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

• Buildings	40 – 50 years
• Plant and machinery	3 – 20 years
• Vehicles – trucks	3 – 8 years
– other	3 – 5 years
• Vessels – hull	35 – 45 years
– aircraft	15 – 18 years
– other components	5 – 10 years
• Furniture and equipment	3 – 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Derecognition

The gain or loss arising from the derecognition of an item of property, plant and equipment, being the difference between the carrying amount and any proceeds received, is included in profit or loss when the item is derecognised.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and where a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Revenue recognition

Revenue from contracts with customers mostly comprise the sale of goods, as well as the provision of services. Revenue is recognised when control of the goods or services is transferred to customers.

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, which is generally on delivery of the goods. However, for export sales, the transfer of control often takes place once goods are handed over to the shipping company.

Revenue from service transactions is recognised as the service is performed and control is transferred.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services, net of Value Added Tax and any consideration payable to customers for returns, discounts, rebates, cooperative advertising and other allowances.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated, however contracts generally comprise a single performance obligation. Where more than one performance obligation exists, the Group allocates the transaction price based on the relative stand-alone selling price of each performance obligation.

Based on payment terms agreed with customers, the Group expects to receive payment within less than a year of transferring goods or services, and therefore no significant financing component exists.

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. Discounts, rebates, cooperative advertising and other allowances are treated as variable consideration. The variable consideration is estimated at contract inception based on the most likely amount and adjusted for in the transaction price accordingly. Variable consideration is mostly applicable to contracts for the sale of goods which include a right of return or volume rebate allowance. The variable consideration is calculated based on historical data and on trading terms contained in signed agreements with customers, along with the value of sales which have taken place over the relevant period.

Consideration payable to customers that is not distinct or separable from the goods or services in the contract is accounted for as a reduction of the transaction price. The Group in turn accounts for amounts payable to customers for returns, discounts, rebates, cooperative advertising and other trade allowances as a deduction against revenue, with recognition of a concomitant liability.

For expected returns, in addition to the recognition of a refund liability, a right-of-return asset (and corresponding adjustment to cost of sales) is recognised for the right to recover products from customers.

In terms of laybye arrangements and the sale of gift cards within the Group's retail businesses, consideration is received from customers before the transfer of goods. In these instances, the consideration received is recorded as a contract liability, and later recognised as revenue when the Group performs under the contract.

When another party is involved in providing goods or services to customers, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Group's role is only to arrange for another entity to provide the goods or services, then the Group is an agent and records revenue at the net amount that it retains for its agency services. In the majority of contracts with customers, the Group is the principal and records revenue on a gross basis.

Recognition of income from investments

Interest

Interest is recognised on a time proportion basis at an effective interest rate that takes into account the yield on the asset.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Share capital continued

Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a change to equity. Repurchased shares held by subsidiaries are classified as treasury shares and presented as a deduction from total equity. The consideration received when own shares held by the Group are re-issued is presented as a change to equity and no profit or loss is recorded.

Taxation

Taxation on the profit or loss for the year comprises current and deferred taxation. Taxation is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in other comprehensive income or equity.

Current taxation

Current taxation comprises tax payable calculated on the basis of the estimated taxable income for the year, using the tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable for previous years.

Deferred taxation

Deferred taxation is provided using the liability method based on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

Deferred taxation is charged to profit or loss except to the extent that it relates to a transaction that is recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity, or a business combination that is an acquisition, in which case it is recognised as an adjustment to goodwill. The effect on deferred taxation of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to items previously charged or credited directly to other comprehensive income or equity.

A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred taxation assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Dividend withholding tax

Dividend withholding tax is a tax on shareholders receiving dividends. Shareholders who are not exempt from paying dividend tax are subject to dividend withholding tax at a rate of 20%. In terms of dividend tax legislation, the dividend tax amount is withheld and paid over to the South African Revenue Services by nominee companies, stockbrokers or the relevant Central Securities Depository Participant on behalf of shareholders. Dividends are recognised at the gross amount directly in equity.

Uncertainty over income tax treatments

Where there is uncertainty regarding the tax treatment of an item, the Group discloses the judgements made in determining the respective tax position as well as information regarding any assumptions and estimates made. The Group recognises liabilities for anticipated uncertain positions based on the best estimate of whether additional income taxes will be due.

Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding (adjusted for own shares held) during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible redeemable preference shares, share options and equivalent equity instruments granted to employees, and Black Economic Empowerment ("BEE") transactions that have not yet met the accounting recognition criteria.

BALANCE SHEET

as at 30 June 2024	Notes	2024 R'm	2023 R'm
ASSETS			
Non-current assets			
Property, plant and equipment	1	**3 248,3**	3 184,2
Right-of-use assets	2	**466,9**	483,2
Intangible assets and goodwill	3	**943,0**	927,7
Investments in joint ventures	4	**10,8**	14,0
Other long-term assets	5	**21,7**	20,5
Deferred taxation	6	**71,2**	35,6
		4 761,9	4 665,2
Current assets			
Inventories	7	**2 698,6**	2 704,4
Biological assets	8	**356,4**	348,2
Other financial assets including derivatives	16	**63,1**	44,4
Current tax assets	26	**6,5**	3,6
Trade and other receivables	9	**2 070,3**	1 941,1
Cash and cash equivalents	10	**352,9**	494,9
		5 547,8	5 536,6
Total assets		**10 309,7**	10 201,8
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	11	**16,3**	16,3
Share premium	11	**263,1**	263,1
Treasury shares	11	**(75,8)**	(75,8)
I&J BBBEE shareholders	33	**(106,6)**	(106,6)
Reserves	12	**354,2**	234,1
Retained earnings		**5 333,7**	4 785,8
Total equity		**5 784,9**	5 116,9
Non-current liabilities			
Cash-settled share-based payment liability	33	**15,2**	–
Lease liabilities	13	**404,9**	412,8
Employee benefit liabilities	14	**334,8**	286,7
Deferred taxation	6	**394,9**	405,6
		1 149,8	1 105,1
Current liabilities			
Current borrowings including short-term portion of lease liabilities	15	**1 367,2**	1 831,9
Other financial liabilities including derivatives	16	**29,7**	92,3
Trade and other payables	17	**1 936,2**	1 974,3
Current tax liabilities	26	**41,9**	81,3
		3 375,0	3 979,8
Total equity and liabilities		**10 309,7**	10 201,8

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2024	Notes	2024 R'm	2023 R'm
Revenue	18	**15 862,3**	14 919,6
Cost of sales		**(9 248,9)**	(9 095,1)
Gross profit		**6 613,4**	5 824,5
Selling and administrative expenses, including other income		**(3 308,8)**	(3 109,7)
Operating profit before capital items	19	**3 304,6**	2 714,8
Interest received	20	**14,8**	8,0
Finance costs	21	**(199,3)**	(198,9)
Share of equity-accounted (losses)/earnings of joint venture	22	**(3,2)**	2,1
Capital items	23	**(20,7)**	9,1
Profit before taxation		**3 096,2**	2 535,1
Taxation	24	**(838,5)**	(698,2)
Profit for the year		**2 257,7**	1 836,9
Other comprehensive loss, net of tax		**(1,8)**	(32,8)
Items that are or may subsequently be reclassified to profit or loss			
Foreign currency translation differences	12	**(23,9)**	13,1
Cash flow hedging reserve	12	**47,5**	(72,7)
Taxation on items that are or may subsequently be reclassified to profit or loss		**(12,8)**	19,7
Items that will never be reclassified to profit or loss			
Actuarial (loss)/gain recognised	12	**(17,3)**	9,7
Taxation on items that will never be reclassified to profit or loss		**4,7**	(2,6)
Total comprehensive income for the year		**2 255,9**	1 804,1
Profit attributable to:			
Owners of AVI		**2 257,7**	1 836,9
		2 257,7	1 836,9
Total comprehensive income attributable to:			
Owners of AVI		**2 255,9**	1 804,1
		2 255,9	1 804,1
Basic earnings per share (cents)	29	**682,5**	555,6
Diluted earnings per share (cents)	29	**675,5**	553,8

Details of the headline earnings and dividends declared per ordinary share are provided in Notes 29 and 30 to the financial statements, on pages 165 and 166.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2024	Notes	2024 R'm	2023 R'm
Cash flows from operating activities			
Cash generated by operations	25	**3 778,3**	3 079,7
Interest paid	21	**(199,3)**	(198,9)
Taxation paid	26	**(910,2)**	(697,4)
Net cash available from operating activities		**2 668,8**	2 183,4
Cash flows from investing activities			
Interest received	20	**14,8**	8,0
Acquisition of property, plant and equipment	1	**(476,5)**	(482,2)
Acquisition of intangible assets	3	**(25,8)**	(8,0)
Proceeds from disposals of property, plant and equipment		**16,5**	14,0
Other cash flows to investments	27	**(1,3)**	(2,9)
Net cash utilised in investing activities		**(472,3)**	(471,1)
Cash flows from financing activities			
Short-term funding raised/(repaid)	28	**(471,9)**	305,4
Lease liabilities repaid	28	**(148,3)**	(147,2)
Payment to I&J BBBEE shareholders		**–**	(34,8)
Ordinary dividends paid	30	**(1 709,8)**	(1 538,7)
Net cash utilised in financing activities		**(2 330,0)**	(1 415,3)
(Decrease)/increase in cash and cash equivalents		**(133,5)**	297,0
Cash and cash equivalents at beginning of year		**494,9**	191,4
Net (decrease)/increase as a result of the translation of the cash equivalents of foreign subsidiaries		**(8,5)**	6,5
Cash and cash equivalents at end of year	10	**352,9**	494,9

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2024	Notes	Share capital and premium R'm	Treasury shares R'm	Reserves R'm	Retained earnings R'm	I&J BBBEE shareholders R'm	Total equity R'm
Balance at beginning of year		**279,4**	**(75,8)**	**234,1**	**4 785,8**	**(106,6)**	**5 116,9**
Total comprehensive income for the year							
Profit for the year		–	–	–	2 257,7	–	2 257,7
Other comprehensive loss							
Foreign currency translation differences		–	–	(23,9)	–	–	(23,9)
Actuarial loss recognised, net of tax		–	–	(12,6)	–	–	(12,6)
Cash flow hedging reserve, net of tax		–	–	34,7	–	–	34,7
Total other comprehensive loss for the year		–	–	(1,8)	–	–	(1,8)
Total comprehensive income for the year		–	–	(1,8)	2 257,7	–	2 255,9
Transactions with owners recorded directly in equity							
Contributions by and distributions to owners							
Share-based payments	32,3	–	–	98,0	–	–	98,0
Group share scheme recharge		–	–	23,9	–	–	23,9
Dividends paid	30	–	–	–	(1 709,8)	–	(1 709,8)
Total contributions by and distributions to owners		–	–	121,9	(1 709,8)	–	(1 587,9)
Balance at end of year		**279,4**	**(75,8)**	**354,2**	**5 333,7**	**(106,6)**	**5 784,9**

For the year ended 30 June 2023	Notes	Share capital and premium R'm	Treasury shares R'm	Reserves R'm	Retained earnings R'm	I&J BBBEE shareholders R'm	Total equity R'm
Balance at beginning of year		279,4	(75,8)	209,1	4 487,6	(106,6)	4 793,7
Total comprehensive income for the year							
Profit for the year		–	–	–	1 836,9	–	1 836,9
Other comprehensive loss							
Foreign currency translation differences		–	–	13,1	–	–	13,1
Actuarial gains recognised, net of tax		–	–	7,1	–	–	7,1
Cash flow hedging reserve, net of tax		–	–	(53,0)	–	–	(53,0)
Total other comprehensive loss for the year		–	–	(32,8)	–	–	(32,8)
Total comprehensive income for the year		–	–	(32,8)	1 836,9	–	1 804,1
Transactions with owners recorded directly in equity							
Contributions by and distributions to owners							
Share-based payments	32.3	–	–	58,0	–	–	58,0
Group share scheme recharge		–	–	(0,2)	–	–	(0,2)
Dividends paid	30	–	–	–	(1 538,7)	–	(1 538,7)
Total contributions by and distributions to owners		–	–	57,8	(1 538,7)	–	(1 480,9)
Balance at end of year		279,4	(75,8)	234,1	4 785,8	(106,6)	5 116,9

1. Property, plant and equipment

2024	Land R'm	Buildings R'm	Plant and machinery R'm	Vehicles, furniture and equipment R'm	Vessels R'm	Total R'm
Cost						
At beginning of year	86,6	895,7	3 475,8	1 255,0	1 170,2	6 883,3
Additions	–	30,1	290,2	118,0	38,2	476,5
Disposals	–	(2,8)	(125,3)	(94,0)	(7,9)	(230,0)
Effect of movement in exchange rates	–	(0,2)	(0,7)	(4,1)	–	(5,0)
At end of year	86,6	922,8	3 640,0	1 274,9	1 200,5	7 124,8
Accumulated depreciation and impairment losses						
At beginning of year	–	265,6	1 964,2	855,0	614,3	3 699,1
Disposals	–	(2,3)	(102,7)	(81,6)	(7,0)	(193,6)
Effect of movement in exchange rates	–	–	(0,4)	(2,9)	–	(3,3)
Depreciation	–	21,5	180,0	96,9	75,7	374,1
Impairment loss	–	–	0,2	–	–	0,2
At end of year	–	284,8	2 041,3	867,4	683,0	3 876,5
Net carrying value						
At beginning of previous year	86,6	638,9	1 461,2	350,4	567,9	3 105,0
At end of previous year	86,6	630,1	1 511,6	400,0	555,9	3 184,2
At end of current year	86,6	638,0	1 598,7	407,5	517,5	3 248,3

2023	Land R'm	Buildings R'm	Plant and machinery R'm	Vehicles, furniture and equipment R'm	Vessels R'm	Total R'm
Cost						
At beginning of year	86,6	886,8	3 244,4	1 196,1	1 158,7	6 572,6
Additions	–	11,4	251,6	155,8	63,4	482,2
Disposals	–	(2,7)	(20,9)	(98,8)	(51,9)	(174,3)
Effect of movement in exchange rates	–	0,2	0,7	1,9	–	2,8
At end of year	86,6	895,7	3 475,8	1 255,0	1 170,2	6 883,3
Accumulated depreciation and impairment losses						
At beginning of year	–	247,9	1 783,2	845,7	590,8	3 467,6
Disposals	–	(1,7)	(19,9)	(91,2)	(49,5)	(162,3)
Effect of movement in exchange rates	–	0,1	0,5	1,2	–	1,8
Depreciation	–	19,3	198,2	99,3	73,0	389,8
Impairment loss	–	–	2,2	–	–	2,2
At end of year	–	265,6	1 964,2	855,0	614,3	3 699,1
Net carrying value						
At beginning of previous year	86,6	638,0	1 562,2	364,1	614,9	3 265,8
At end of previous year	86,6	638,9	1 461,2	350,4	567,9	3 105,0
At end of current year	86,6	630,1	1 511,6	400,0	555,9	3 184,2

	2024 R'm	2023 R'm
Land comprises:		
Freehold	86,6	86,6

- The current estimated useful lives of property, plant and equipment are reflected under accounting policies on page 141.
- The estimated useful lives and residual values are reviewed annually, taking cognisance of forecast commercial and economic realities, historical usage of similar assets and input from original equipment manufacturers on plant and machinery.
- Expenditure on property, plant and equipment in the course of construction and included above at 30 June 2024 was R184,4 million (2023: R187,6 million).
- Capital commitments, excluding capitalised interest, of R210,8 million (2023: R264,1 million) have been entered into at year end. These include all projects for which specific board approval has been obtained (Note 31).
- Impairment losses of R0,2 million arose due to identified obsolescence of, damage to and underperformance of items of plant and machinery (2023: R2,2 million).
- A register containing details of properties is available for inspection by shareholders or their duly authorised agents during business hours at the registered office of the Company.

2. Right-of-use assets

2024	Retail stores and storerooms R'm	Other commercial and industrial sites R'm	Total R'm
Carrying value at 1 July 2023	**258,5**	**224,7**	**483,2**
Effect of movement in exchange rates	**–**	**(3,0)**	**(3,0)**
Additions for new leases and lease renewals	**112,8**	**19,0**	**131,8**
Impact of lease modifications and remeasurements	**(6,3)**	**24,5**	**18,2**
Depreciation	**(120,8)**	**(42,5)**	**(163,3)**
Carrying value at 30 June 2024	**244,2**	**222,7**	**466,9**

2023	Retail stores and storerooms R'm	Other commercial and industrial sites R'm	Total R'm
Carrying value at 1 July 2022	220,0	204,9	424,9
Effect of movement in exchange rates	–	1,8	1,8
Additions for new leases and lease renewals	157,9	58,8	216,7
Depreciation	(119,4)	(40,8)	(160,2)
Carrying value at 30 June 2023	258,5	224,7	483,2

Right-of-use assets mostly relate to retail stores which are leased by the Group's retail businesses. The Group also leases a number of other commercial and industrial sites. Right-of-use assets are effectively ceded as security for concomitant lease liabilities (Note 13) as the rights to the leased assets revert to the lessor in the event of default.

3. Intangible assets and goodwill

2024	**Goodwill R'm**	**Fishing rights R'm**	**Trademarks R'm**	**Customer relationships and contracts R'm**	**Computer software R'm**	**Total R'm**
Cost						
At beginning of year	**489,2**	**8,0**	**868,2**	**1,1**	**227,2**	**1 593,7**
Additions*	**–**	**0,4**	**5,9**	**–**	**19,5**	**25,8**
Disposals	**–**	**–**	**–**	**–**	**(3,3)**	**(3,3)**
Effect of movement in exchange rates	**–**	**–**	**–**	**–**	**(0,3)**	**(0,3)**
At end of year	**489,2**	**8,4**	**874,1**	**1,1**	**243,1**	**1 615,9**
Accumulated amortisation and impairment losses						
At beginning of year	**12,2**	**0,9**	**444,0**	**1,1**	**207,8**	**666,0**
Disposals	**–**	**–**	**–**	**–**	**(3,2)**	**(3,2)**
Effect of movement in exchange rates	**–**	**–**	**–**	**–**	**(0,3)**	**(0,3)**
Amortisation	**–**	**0,5**	**2,9**	**–**	**7,0**	**10,4**
At end of year	**12,2**	**1,4**	**446,9**	**1,1**	**211,3**	**672,9**
Net carrying value						
At beginning of previous year	**477,0**	**7,0**	**422,2**	**–**	**30,8**	**937,0**
At end of previous year	**477,0**	**7,1**	**424,2**	**–**	**19,4**	**927,7**
At end of current year	**477,0**	**7,0**	**427,2**	**–**	**31,8**	**943,0**

2023	Goodwill R'm	Fishing rights R'm	Trademarks R'm	Customer relationships and contracts R'm	Computer software R'm	Total R'm
Cost						
At beginning of year	489,2	7,4	863,8	1,1	226,8	1 588,3
Additions*	–	0,6	4,4	–	3,0	8,0
Disposals	–	–	–	–	(2,8)	(2,8)
Effect of movement in exchange rates	–	–	–	–	0,2	0,2
At end of year	489,2	8,0	868,2	1,1	227,2	1 593,7
Accumulated amortisation and impairment losses						
At beginning of year	12,2	0,4	441,6	1,1	196,0	651,3
Disposals	–	–	–	–	(2,8)	(2,8)
Effect of movement in exchange rates	–	–	–	–	0,2	0,2
Amortisation	–	0,5	2,4	–	14,4	17,3
At end of year	12,2	0,9	444,0	1,1	207,8	666,0
Net carrying value						
At beginning of previous year	477,0	4,1	271,3	–	37,4	789,8
At end of previous year	477,0	7,0	422,2	–	30,8	937,0
At end of current year	477,0	7,1	424,2	–	19,4	927,7

* *Capitalisation of fishing rights application costs, computer software, purchase of trademarks and trademark registration costs.*

Useful lives

The fishing rights are amortised over a period of 15 years.

Computer software is amortised over a period of 2 to 10 years.

The majority of trademarks are deemed to have indefinite useful lives, with the exception of trademark registrations, with a net book value of R11,2 million (2023: R10,4 million), which are amortised over their respective useful lives of between 5 and 10 years.

3. Intangible assets and goodwill continued

Cash-generating units containing goodwill and trademarks

The following units have significant carrying amounts of goodwill and trademarks, net of impairment losses:

	Goodwill		Trademarks		Total	
	2024 R'm	2023 R'm	**2024 R'm**	2023 R'm	**2024 R'm**	2023 R'm
Spitz	**449,2**	449,2	**69,5**	69,5	**518,7**	518,7
Carvela	**–**	–	**71,3**	71,3	**71,3**	71,3
Kurt Geiger	**–**	–	**15,3**	15,3	**15,3**	15,3
Yardley	**–**	–	**29,3**	29,0	**29,3**	29,0
Lentheric	**–**	–	**43,0**	43,0	**43,0**	43,0
Exclamation	**–**	–	**120,7**	120,7	**120,7**	120,7
House of Coffees	**15,3**	15,3	**33,6**	33,6	**48,9**	48,9
Baker Street Snacks	**12,5**	12,5	**–**	–	**12,5**	12,5
Multiple units without significant balances	**–**	–	**44,5**	41,8	**44,5**	41,8
	477,0	477,0	**427,2**	424,2	**904,2**	901,2

Goodwill arises on the acquisition of assets that did not meet the criteria for recognition as intangible assets at the date of acquisition.

Impairment tests

The carrying amounts of goodwill and trademarks with indefinite useful lives are reviewed at least annually for impairment. The recoverable amount of goodwill and trademarks is their value in use which is calculated using the discounted cash flow model, taking into account the forecast profits of the cash-generating units they form part of. Management forecasts typically cover a five-year period and thereafter a reasonable rate of growth is applied based on market conditions. Revenue and profit growth assumptions are based on budgets, business plans and historical performance, taking into account the economic and political environment. Discount rates used in the discounted cash flow models are based on a weighted average cost of capital of similar businesses in the same sector and of similar size and range between 12,9% and 17,3% (2023: 13,2% and 17,4%) depending on the business' risk profile. Perpetuity growth rates were set at 5,5% (2023: between 5,5% and 6,0%). No impairment losses arose in the current year nor in the prior year.

4. Investments in joint ventures

	2024 R'm	2023 R'm
Group carrying value of joint venture		
Share of post-acquisition reserves	**10,8**	14,0
Carrying value	**10,8**	14,0

The above investment relates to Irvin & Johnson Limited's squid fishing joint venture incorporated in Umsobomvu Fishing Proprietary Limited ("Umsobomvu").

On 23 November 2023, the two shareholders of the joint venture entered into an agreement to sell all five of the vessels together with the squid fishing rights held by the joint venture. The agreement was dependent on certain suspensive conditions, most notably the approval of the transfer of the fishing rights by the Department of Forestry, Fisheries and Environment ("DFFE"). In order to facilitate the period between the date of the agreement and the finalisation of the sale, a secondary Charter Agreement was entered into in which Umsobomvu chartered its vessels and rights to the buyer for a monthly fee. The DFFE approved the transfer of the rights in April 2024. At year end, certain completion actions were still to be concluded between the parties in order to finalise the sale and consequently the sale transaction has not been recognised in the 2024 financial year.

All suspensive conditions and completion actions were finalised during July 2024 (post-balance sheet date) with the purchase consideration paid. The total purchase consideration for the assets was R53,3 million, of which Umsobomvu received R48,3 million.

5. Other long-term assets

	2024 R'm	2023 R'm
Contributions to Enterprise and Supplier Development initiatives	**20,9**	19,9
Operating lease straight-line assets	**0,8**	0,6
Total non-current other long-term assets	**21,7**	20,5

Contributions made to Enterprise and Supplier Development initiatives are loans which are unsecured and have varying terms of repayment of between three and five years depending on the performance of the underlying investment. The contributions made qualify in terms of the BBBEE Amended Codes of Good Practice as contemplated in the Broad-based Black Economic Empowerment Act.

6. Deferred taxation

	2024 R'm	2023 R'm
Balance at beginning of year, being a net liability	**370,0**	404,1
Charge to profit or loss	**(30,8)**	(17,2)
– current year temporary differences	**(27,6)**	(18,8)
– prior year (over)/under provision	**(3,2)**	1,6
Effect of movement in exchange rates	**0,3**	–
Reserve movements in respect of actuarial (losses)/gains recognised directly in other comprehensive income	**(4,7)**	2,6
Reserve movements in respect of cash flow hedging recognised directly in other comprehensive income	**12,8**	(19,7)
Reserve movements in respect of Group share scheme recharge arrangements	**(23,9)**	0,2
Balance at end of year, being a net liability	**323,7**	370,0
Balance at end of year comprises:		
Accelerated capital allowances	**475,3**	477,9
Temporary differences on trademarks	**59,1**	58,3
Provisions and other temporary differences:	**(144,1)**	(113,1)
– post-retirement medical aid	**(87,5)**	(81,2)
– leave pay and bonus accruals	**(122,1)**	(93,6)
– other deductible temporary differences	**65,5**	61,7
Cash flow hedge reserve	**5,6**	(7,2)
Group share scheme recharge	**(45,0)**	(5,7)
Right-of-use assets and related lease liabilities	**(20,5)**	(16,3)
Unused tax losses	**(6,7)**	(23,9)
	323,7	370,0
Reflected as:		
Deferred taxation asset	**71,2**	35,6
Deferred taxation liability	**394,9**	405,6

Deferred tax assets recognised on unused tax losses, except as noted below, were recognised as management considered it probable that future taxable profits will be available against which they can be utilised. The probable utilisation of the losses, based on budgeted and forecast results of subsidiary companies, is within three to five years depending on the stability of the businesses. The tax losses do not expire under current tax legislation.

	2024 R'm	2023 R'm
The estimated losses which are available for the reduction of future taxable income	**71,2**	140,5
Less: Estimated losses taken into account in calculating deferred taxation	**24,8**	88,6
Shareholders' interest in the estimated tax losses not yet recognised	**46,4**	51,9

Deferred tax assets have not been recognised in respect of those losses where it is not probable, under current circumstances, that future taxable income will be available to utilise the benefits in the foreseeable future.

7. Inventories

	2024 R'm	2023 R'm
Raw materials	**764,9**	698,9
Consumable stores	**367,0**	371,8
Work-in-progress	**73,7**	42,6
Manufactured finished goods	**728,5**	672,0
Merchandise – finished goods purchased for resale	**764,5**	919,1
	2 698,6	2 704,4

There were no material inventory write-offs in the current nor in the prior year.

8. Biological assets

	2024 R'm	2023 R'm
Balance at beginning of year	**348,2**	306,1
Increase due to farming costs	**124,7**	116,2
Decreases due to harvest	**(173,3)**	(213,9)
Gains arising from change in fair value due to physical change	**65,3**	77,5
Gains arising from change in fair value due to price changes (including exchange rate movements)	**(12,2)**	62,3
Provisions made against biological assets	**3,7**	–
Balance at end of year	**356,4**	348,2

	Kilograms	Kilograms
Standing volume	**702 581**	684 755
Volume harvested in current year	**383 573**	432 067

Biological assets comprise abalone farmed by I&J.

Measurement of fair value

The fair value measure for abalone of R356,4 million (2023: R348,2 million) has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used. The following valuation techniques and significant inputs were used to measure the Level 3 inputs. These techniques are consistent with those of the prior year:

Valuation technique

The Group adopts a combination of the market comparison and cost techniques in determining the fair value of abalone, based on the marketable size of the animal. The market comparison model is based on the current market price of abalone which takes cognisance of the animal size and format, less costs to sell. In the case of smaller animals (less than 30g) where no active market exists, the cost technique is adopted and considers the estimated cost per animal taking into account operational costs incurred and the number of animals in the smaller class range.

8. Biological assets continued

Measurement of fair value continued

Unobservable inputs and the relationship to fair value measurement

Unobservable inputs	Relationship of unobservable input to fair value
• Cost per animal in the smaller range, determined by the operational costs and the number of animals in the smaller class range.	The estimated fair value of animals smaller than 30g would increase if the cost per animal, determined by the operational costs were higher. The inverse applies in respect of a reduction in operational costs.
• Current market price for the size classes where a principal active market exists.	An increase in the current market price, which is USD denominated, would increase the fair value of the biological asset. In addition, a devaluation of the ZAR against the USD would result in an increase in the fair value. The inverse applies to decreases in market pricing and a strengthening of the ZAR against the USD.
• The current stock holding in tonnes of the different size classes.	The estimated fair value would increase if the size and volume of abalone on hand were higher. The inverse applies in respect of a reduction in the size and volume of abalone on hand.
• The changes in the operational costs to sell.	Operational costs to sell include costs associated with mortality, yield loss, packaging costs, processing costs as well as international freight costs. An increase in the operational costs to sell would result in a reduction in the fair value. The inverse applies to any reduction in the operational costs to sell.
• Growth rates of abalone determined on a monthly moving average in millimetres to gram ratio.	The estimated fair value would increase if growth rates were to increase in line with the associated increase in size and volume of abalone on hand. The inverse applies in respect of a reduction in the growth rates.

Assumptions for most significant unobservable inputs	2024	2023
Exchange rate applied		
– ZAR:USD	**R18,19**	R18,79
Abalone USD market pricing ranges:		
– 30g to 150g	**\$25,50 – \$43,00**	\$28,50 – \$43,00
– 150g or above	**\$43,50 – \$44,50**	\$43,50 – \$44,50

Assumption sensitivity analysis

The Group has performed a sensitivity analysis relating to its exposure to a change in significant inputs used in the valuation of abalone. The sensitivity analysis demonstrates the increase/(decrease) in the biological asset valuation that could result from a change in these assumptions:

	2024 R'm	2023 R'm
Currency		
– A 10% weakening of the ZAR to the USD	**31,1**	31,0
– A 10% strengthening of the ZAR to the USD	**(31,1)**	(31,0)
Market selling prices*		
– A 10% increase in USD market selling prices	**35,1**	36,3
– A 10% decrease in USD market selling prices	**(35,1)**	(36,3)
Biomass weight**		
– A 10% increase in the biomass weight	**36,0**	34,9
– A 10% decrease in the biomass weight	**(36,0)**	(34,9)

* *Assumes currency remains unchanged and aligned with the year-end assumption.*

** *Assumes size class mix of animals remains in line with the actual closing size mix applied in determination of year-end biological asset value.*

8. Biological assets continued

Risk management strategy related to aquaculture activities

Currency risks

I&J is subject to changes in the exchange rate as abalone sales prices are denominated in US Dollars and biological assets are measured at fair value which is also based on the US Dollar market price. The Group's currency risk management is described in Note 35.5.

Process risks

Abalone farming relies on a living environment which simulates natural conditions. This calls for a continuous supply of water and oxygen to the growing areas. A potential shortage of electrical supply to drive the key equipment is mitigated by failsafe back-up power generators.

Critical equipment such as pumps for water flow and fans for oxygen are monitored by sophisticated alarm systems.

Extensive security measures are in place to protect against theft while abalone is growing, being processed and being transported.

Comprehensive fixed asset insurance is in place, whilst livestock insurance covers losses due to theft, accident or transport claims from the point of harvest.

Disease risks

Disease risk is mitigated via a comprehensive biosecurity protocol applied at all levels on the farm. The farm is divided into separate flow-through zones which allows for quarantine and separation should such a risk arise.

Daily monitoring of the water condition and organisms is part of the biosecurity plan.

I&J Dangerpoint farm is part of a specialist vet health monitoring programme where frequent assessments are done to verify the condition of the abalone stock and potentially provide an early warning of disease risk.

Natural seasonal events could give rise to algal blooms in the ocean, which can be a potential risk to animal health. This is mitigated by an algal bloom protocol, which includes the activation of a recirculation and filtration plan to dilute the algal bloom concentration.

9. Trade and other receivables

	2024 R'm	2023 R'm
Trade receivables	**1 944,0**	1 736,5
Indirect taxation	**43,7**	91,0
Prepayments	**45,7**	60,1
Other receivables	**36,9**	53,5
	2 070,3	1 941,1
The trade receivables balance is made up of:		
Gross trade debtors consideration	**2 626,9**	2 412,2
Allowances for credit notes, discounts and other trading terms	**(678,3)**	(670,9)
Impairment loss allowance	**(4,6)**	(4,8)
	1 944,0	1 736,5

Refer to Note 35.3 for a reconciliation of the impairment loss allowance.

Trade accounts are non-interest bearing and are generally on terms of 30 to 90 days.

10. Cash and cash equivalents

	2024 R'm	2023 R'm
Bank balances (current accounts)	**191,8**	190,2
Call deposits	**–**	220,4
Controlled Foreign Currency (CFC) accounts	**160,7**	83,9
Petty cash	**0,4**	0,4
Total cash and cash equivalents	**352,9**	494,9

11. Share capital and premium

	2024 R'm	2023 R'm
Share capital		
Authorised		
Ordinary share capital		
960 000 000 (2023: 960 000 000) ordinary shares of 5 cents each	**48,0**	48,0
Total authorised share capital	**48,0**	48,0
Issued		
338 965 477 (2023: 338 191 889) ordinary shares of 5 cents each	**16,3**	16,3
Total issued share capital	**16,3**	16,3
Share premium		
Balance at end of year	**263,1**	263,1
Total issued share capital and premium	**279,4**	279,4
Treasury shares		
Balance at end of year	**(75,8)**	(75,8)

	2024 Number	2023 Number
The number of ordinary shares in issue is as follows:		
Total issued shares	**338 965 477**	338 191 889
Less: Shares held by the Company's share trusts and subsidiary, and restricted shares held by participants of the AVI Limited Deferred Bonus Share Plan (Note 32)	**(8 015 107)**	(7 568 115)
	330 950 370	330 623 774

12. Reserves

	2024 R'm	2023 R'm
The balance at end of year comprises:		
Cash flow hedging reserve	**15,2**	(19,5)
Actuarial reserve	**33,0**	45,6
Foreign currency translation reserve	**(50,6)**	(26,7)
Share-based payment reserve	**730,1**	608,2
Share buy-back reserve	**(373,5)**	(373,5)
	354,2	234,1

Cash flow hedging reserve
The reserve represents the Group's portion of the cumulative net change in the fair value of cash flow hedging instruments relating to hedged transactions falling due in the future.

Actuarial reserve
The reserve comprises the cumulative actuarial gains/losses in respect of the Group's post-retirement medical aid liability which have been recognised directly in other comprehensive income after taxation. Realisation of this reserve will not be reclassified to profit or loss.

Foreign currency translation reserve
The reserve comprises the cumulative foreign exchange differences arising as a result of the translation of foreign operations.

Share-based payment reserve
The reserve comprises the fair value of equity instruments granted to Group employees, net of tax on deductible recharges. The fair value of the instruments are measured at grant date using generally accepted valuation techniques after taking into account the terms and conditions upon which the instruments were granted.

Share buy-back reserve
The reserve represents the reversal of share premium relating to the delisting and cancellation of treasury shares.

13. Lease liabilities

	2024 R'm	2023 R'm
Lease liabilities	**542,9**	543,7
Less: portion repayable within one year included in current borrowings (Note 15)	**(138,0)**	(130,9)
Lease liabilities (Non-current portion)	**404,9**	412,8

Lease liabilities mostly relate to the Group's retail businesses which lease all their retail stores. The Group also leases a number of other commercial and industrial sites. Lease liabilities represent the financial obligation of the Group to make lease payments to landlords to use the underlying leased premises, or right-of-use assets, during the lease term. The majority of retail leases cover a period of three to five years and some include an option to renew on expiry. The lease term includes this renewal period if the Group is reasonably certain it will exercise the renewal option, taking into account factors such as store location, historical store performance and the value of lease payments in the renewal period. Further to this, the likelihood of exercising a termination option, if applicable, is considered in determining the lease term.

The discount rate used to determine the present value of future lease payments is generally based on the lessee's incremental borrowing rate, as in most instances, the interest rate implicit in the lease cannot be readily determined. The discount rate applied to new leases concluded during the year varied between 9,86% and 11,0% (2023: 6,54% and 10,35%).

13. Lease liabilities continued

Total cash outflow for leases in the current period

	2024 R'm	2023 R'm
Finance costs (Note 21)	**41,8**	36,5
Capital portion	**148,3**	147,2
Total cash outflow for leases	**190,1**	183,7

The cost relating to variable lease payments, short-term leases and leases of low-value assets is disclosed as part of Note 19.

The maturity analysis of lease liabilities is disclosed in Note 35.4.

No commitments for variable lease payments have been disclosed due to these being subject to the fulfilment of specific conditions which are uncertain at reporting date.

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

14. Employee benefit liabilities

	2024 R'm	2023 R'm
Post-retirement medical aid obligation	**323,8**	303,1
Earnings-linked performance bonus liabilities	**96,3**	31,6
I&J Black Staff Employee Benefit Scheme liability (Note 33)	**2,1**	–
	422,2	334,7
Amount payable within one year included in trade and other payables (Note 17)	**(87,4)**	(48,0)
	334,8	286,7
Post-retirement medical aid obligation		
Reconciliation of benefit obligation recognised on the balance sheet		
Balance at beginning of year	**303,1**	307,5
Recognised in profit or loss - operating profit	**35,0**	35,3
– Current service cost	**0,7**	0,7
– Interest cost	**34,3**	34,6
Actuarial loss/(gain) recognised in other comprehensive income	**17,3**	(9,7)
Contributions paid	**(31,6)**	(30,0)
Balance at end of year	**323,8**	303,1
Actuarial gain recognised directly in other comprehensive income		
Net cumulative amount at beginning of year	**(45,6)**	(38,5)
Recognised during the year	**17,3**	(9,7)
Deferred tax thereon	**(4,7)**	2,6
Net cumulative amount at end of year	**(33,0)**	(45,6)

The Group has an obligation to provide certain post-retirement medical aid benefits to certain eligible employees and pensioners. The entitlement to these benefits for current employees is dependent upon the employee remaining in service until retirement age. The post-retirement medical aid contributions liability is based on an actuarial valuation.

The principal actuarial assumptions used were:
Discount rate 11,90% (2023: 12,00%)
Medical inflation 8,40% (2023: 8,40%)

14. Employee benefit liabilities continued

Assumed healthcare cost inflation rates have a significant effect on the actuarially determined defined benefit obligation. A one percentage point change in assumed healthcare cost inflation rates would have the following effects:

	One percentage point increase R'm	One percentage point decrease R'm
Increase/(decrease) in the present value of the actuarially determined defined benefit obligation	**25,8**	**(22,4)**
Increase/(decrease) in the aggregate service and interest cost	**3,2**	**(2,8)**

15. Current borrowings including short-term portion of lease liabilities

	2024 R'm	2023 R'm
Short-term borrowings	**1 229,2**	1 701,0
Current portion of lease liabilities (Note 13)	**138,0**	130,9
	1 367,2	1 831,9

Interest on short-term borrowings is calculated daily at the daily borrowing rate applicable and payable monthly.

16. Other financial assets/liabilities including derivatives

	2024 R'm	2023 R'm
Forward exchange contract derivative assets	**61,0**	44,3
Fuel swap derivative assets	**2,1**	0,1
Other financial assets including derivatives	**63,1**	44,4
Forward exchange contract derivative liabilities	**27,9**	79,4
Fuel swap derivative liabilities	**1,8**	12,9
Other financial liabilities including derivatives	**29,7**	92,3

17. Trade and other payables

	2024 R'm	2023 R'm
Trade payables	**1 154,6**	1 247,3
Customer contract liabilities	**30,9**	30,9
Employee-related provisions*	**358,9**	319,6
Employee benefits falling due within one year (Note 14)	**87,4**	48,0
Other payables and accrued expenses	**304,4**	328,5
	1 936,2	1 974,3

Terms and conditions of significant trade and other payables:
- Trade accounts are non-interest bearing and are normally settled within one month.
- Other payables and accrued expenses are non-interest bearing and are normally settled within six months.

Customer contract liabilities relate to cash received in advance from customers for laybye sales and gift card purchases within the Group's retail businesses. Total revenue recognised from completed laybye sales and redeemed gift cards for the year is R426,1 million (2023: R386,2 million).

* *The disclosure of other payables was enhanced in the current year by separating employee-related provisions from other payables and accrued expenses. The disaggregation of the prior year employee-related provisions from other payables and accrued expenses does not impact any of the primary statements nor does it impact any other financial information previously presented.*

18. Revenue

	2024 R'm	2023 R'm
Revenue from contracts with customers comprises the following:		
– Sale of goods	**15 681,4**	14 714,8
– Services, fees, commissions and royalties	**180,9**	204,8
Total	**15 862,3**	14 919,6

Disaggregation of revenue

Disaggregation of revenue from contracts with customers ("revenue") into categories that depict the nature, amount, timing and uncertainty of revenue.

The following table sets out revenue by geographical market:

	2024							
Geographical market	**Entyce Beverages R'm**	**Snackworks R'm**	**I&J R'm**	**Personal Care R'm**	**Footwear & Apparel R'm**	**Corporate R'm**	**Consolidation R'm**	**Total R'm**
South Africa	**4 457,4**	**4 932,0**	**830,7**	**935,8**	**1 739,6**	**179,9**	**(179,9)**	**12 895,5**
Other African countries	**557,4**	**629,4**	**61,2**	**86,7**	**17,7**	**–**	**–**	**1 352,4**
Europe	**6,8**	**10,9**	**1 122,4**	**–**	**–**	**–**	**–**	**1 140,1**
Rest of the world	**3,8**	**25,6**	**444,9**	**–**	**–**	**–**	**–**	**474,3**
Total	**5 025,4**	**5 597,9**	**2 459,2**	**1 022,5**	**1 757,3**	**179,9**	**(179,9)**	**15 862,3**

	2023							
Geographical market	Entyce Beverages R'm	Snackworks R'm	I&J R'm	Personal Care R'm	Footwear & Apparel R'm	Corporate R'm	Consolidation R'm	Total R'm
South Africa	3 728,8	4 578,6	838,1	1 120,2	1 678,8	165,2	(165,2)	11 944,5
Other African countries	512,7	658,0	46,1	103,1	18,1	–	–	1 338,0
Europe	6,7	9,0	1 120,4	–	–	–	–	1 136,1
Rest of the world	3,4	15,6	482,0	–	–	–	–	501,0
Total	4 251,6	5 261,2	2 486,6	1 223,3	1 696,9	165,2	(165,2)	14 919,6

The majority of revenue comprises revenue from the sale of goods. Less than 2% (2023: less than 2%) of total revenue comprises income arising from service agreements, rental agreements and trademark license agreements.

19. Operating profit before capital items

	2024 R'm	2023 R'm
In arriving at operating profit before capital items, the following have been taken into account:		
Amortisation	**10,4**	17,3
– fishing rights	**0,5**	0,5
– computer software	**7,0**	14,4
– trademarks	**2,9**	2,4
Depreciation of property, plant and equipment	**374,1**	389,8
– buildings	**21,5**	19,3
– plant, equipment and vehicles	**276,9**	297,5
– vessels	**75,7**	73,0
Depreciation of right-of-use assets	**163,3**	160,2
– retail stores and storerooms	**120,8**	119,4
– other commercial and industrial sites	**42,5**	40,8
Total depreciation (included in both cost of sales and selling and administrative expenses)	**537,4**	550,0
Total depreciation and amortisation	**547,8**	567,3
Auditor's remuneration		
– fees for audit	**13,1**	11,6
– fees for other services	**0,7**	0,5
– taxation services and consultations	**0,1**	0,2
– other	**0,6**	0,3
Employment costs (Note 32)	**3 431,7**	3 159,5
Lease expenses	**17,0**	17,2
– variable lease payments – turnover rental	**4,3**	3,6
– short-term leases	**11,8**	12,6
– leases of low-value assets	**0,9**	1,0
Research and development costs	**46,2**	41,8
Foreign exchange (gains)/losses	**(6,9)**	24,9

20. Interest received

	2024 R'm	2023 R'm
Interest income on cash and cash equivalents and other investments	**14,8**	8,0

21. Finance costs

	2024 R'm	2023 R'm
Interest expense on borrowings	**(157,5)**	(162,4)
Interest expense on lease liabilities (Note 13)	**(41,8)**	(36,5)
	(199,3)	(198,9)

22. Share of equity-accounted (losses)/earnings of joint ventures

	2024 R'm	2023 R'm
Equity-accounted (loss)/profit of non-significant joint venture	**(3,2)**	2,1

23. Capital items

	2024 R'm	2023 R'm
Net loss on disposal of property, plant and equipment	**20,9**	1,8
Impairment of property, plant and equipment	**0,2**	2,2
Insurance proceeds/receivables on property, plant and equipment	**(0,4)**	(13,1)
	20,7	(9,1)
Attributable taxation (Note 24)	**(5,7)**	2,4
	15,0	(6,7)

24. Taxation

Current income tax	**853,6**	706,4
Deferred taxation	**(27,6)**	(18,8)
– Current temporary differences	**(27,6)**	(18,8)
Withholding tax	**12,9**	11,3
Prior year under/(over) provisions		
– Current	**2,8**	(2,3)
– Deferred	**(3,2)**	1,6
	838,5	698,2
Dealt with as follows:		
In respect of profit before capital items	**844,2**	695,8
In respect of capital items (Note 23)	**(5,7)**	2,4
	838,5	698,2
Foreign taxation included in the above	**45,2**	40,7

The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes. Furthermore, the Group has reviewed its corporate structure in light of the introduction of Pillar Two Model Rules in various jurisdictions. Since the Group's effective tax rate is well above 15% in all jurisdictions in which it operates, it has determined that it is not subject to Pillar Two "top-up" taxes. Therefore, the consolidated financial statements do not include information required by paragraphs 88A-88D of IAS 12.

Reconciliation of rate of taxation	**%**	%
Standard rate of company taxation	**27,0**	27,0
Increase in effective rate as a result of:		
– Disallowable expenditure	**0,2**	0,4
– Share-based payments	**–**	0,3
– Expenses attributable to exempt income earned	**0,1**	0,1
– Other	**0,1**	–
– Exempt income	**(0,2)**	–
– Special tax allowances	**(0,1)**	(0,2)
– Withholding tax	**0,4**	0,4
– Effect of foreign tax rate differential	**(0,1)**	(0,1)
– Other	**(0,1)**	–
Effective rate of taxation for the year	**27,1**	27,5

25. Cash generated by operations

	2024 R'm	2023 R'm
Profit before tax	3 096,2	2 535,1
Adjusted for:		
– Interest received	(14,8)	(8,0)
– Finance costs	199,3	198,9
– Share of equity-accounted losses/(earnings) of joint ventures	3,2	(2,1)
– Capital items	20,7	(9,1)
– Depreciation of property, plant and equipment	374,1	389,8
– Depreciation of right-of-use assets	163,3	160,2
– Amortisation of intangible assets	10,4	17,3
– Foreign currency translations	(20,4)	23,8
– Cash-settled share-based payments	15,2	(0,1)
– Equity-settled share-based payments	98,0	58,0
– Movement in provisions and other non-cash items[1]	103,9	68,5
Cash generated by operations before working capital changes	4 049,1	3 432,3
Changes in working capital[2]:	(270,8)	(352,6)
Increase in inventories and biological assets	(14,2)	(253,7)
Increase in trade and other receivables	(147,1)	(215,3)
(Decrease)/increase in trade and other payables	(109,5)	116,4
Cash generated by operations	3 778,3	3 079,7

[1] *Includes, among others, non-cash movements in biological assets, fuel swap derivatives, inventory obsolescence provisions, impairment loss allowances, PRMA liability and short-term and long-term bonus accruals and leave pay accruals, offset by related cash payments.*

[2] *The net movement in working capital has been adjusted to take account of the foreign exchange differences and other non-cash items.*

26. Taxation paid

	2024 R'm	2023 R'm
Amount owing at beginning of year	81,3	70,5
Amount prepaid at beginning of year	(3,6)	(11,4)
Net amount owing at beginning of year	77,7	59,1
	869,3	715,4
Charge per profit or loss	838,5	698,2
Deferred taxation included therein (Note 6)	30,8	17,2
Effect of movement in foreign exchange rates	(1,4)	0,6
Net amount owing at end of year	(35,4)	(77,7)
Amount owing at end of year	(41,9)	(81,3)
Amount prepaid at end of year	6,5	3,6
Amount paid during year	910,2	697,4

27. Other cash flows to investments

	2024 R'm	2023 R'm
Cash flow to Enterprise and Supplier Development initiatives	(1,3)	(2,9)

28. Changes in liabilities arising from financing activities

	Balance at 1 July 2023 R'm	Cash flows Capital R'm	Cash flows Interest R'm	Non-cash changes Effect of movement in exchange rates R'm	Non-cash changes New leases R'm	Non-cash changes Impact of lease modifications and remeasurements R'm	Non-cash changes Interest accrued R'm	Balance at 30 June 2024 R'm
Short-term borrowings	**1 701,0**	**(471,8)**	**(157,5)**	**–**	**–**	**–**	**157,5**	**1 229,2**
Lease liabilities	**543,7**	**(148,3)**	**(41,8)**	**(1,4)**	**131,8**	**17,1**	**41,8**	**542,9**
	2 244,7	**(620,1)**	**(199,3)**	**(1,4)**	**131,8**	**17,1**	**199,3**	**1 772,1**

	Balance at 1 July 2022 R'm	Cash flows Capital R'm	Cash flows Interest R'm	Non-cash changes Effect of movement in exchange rates R'm	Non-cash changes New leases R'm	Non-cash changes Impact of lease modifications and remeasurements R'm	Non-cash changes Interest accrued R'm	Balance at 30 June 2023 R'm
Short-term borrowings	1 395,6	305,4	(162,4)	–	–	–	162,4	1 701,0
Lease liabilities	472,2	(147,2)	(36,5)	2,0	216,7	–	36,5	543,7
	1 867,8	158,2	(198,9)	2,0	216,7	–	198,9	2 244,7

29. Earnings and headline earnings

	2024 Gross R'm	2024 Net of tax and non-controlling interests R'm	2023 Gross R'm	2023 Net of tax and non-controlling interests R'm
The calculations of earnings and headline earnings per ordinary share are based on a weighted average of 330 791 602 (2023: 330 596 489) ordinary shares in issue.				
The diluted earnings and headline earnings per share are calculated based on a weighted average of 334 217 367 (2023: 331 662 214) ordinary shares.				
Determination of headline earnings				
Earnings attributable to owners of AVI		**2 257,7**		1 836,9
Adjustment for capital items	**20,7**	**15,0**	(9,1)	(6,7)
Net loss on disposal of property, plant and equipment	**20,9**	**15,2**	1,8	1,3
Impairment of property, plant and equipment (Note 1)	**0,2**	**0,1**	2,2	1,6
Insurance proceeds/receivables on property, plant and equipment	**(0,4)**	**(0,3)**	(13,1)	(9,6)
Headline earnings		**2 272,7**		1 830,2

29. Earnings and headline earnings continued

	2024 Number	2023 Number
Reconciliation of weighted average number of ordinary shares		
Issued shares at beginning of year	**338 191 889**	336 001 990
Own shares held by trusts and subsidiary at beginning of year	**(7 568 115)**	(5 484 569)
Effect of treasury shares sold in July – September	**11 965**	1 178
Effect of treasury shares sold in October – December	**119 407**	77 873
Effect of treasury shares sold in January – March	**21 371**	–
Effect of treasury shares sold in April – June	**15 085**	17
Weighted average number of ordinary shares	**330 791 602**	330 596 489
Effect of the Revised AVI Limited Executive Share Incentive Scheme instruments outstanding during the year	**474 409**	13 777
Effect of the AVI Limited Deferred Bonus Share Plan instruments outstanding during the year	**1 520 557**	368 434
Effect of the AVI Limited Out-Performance Scheme instruments outstanding during the year	**1 430 799**	683 514
Weighted average diluted number of ordinary shares	**334 217 367**	331 662 214

In determining the dilutive effect of these options, the IFRS 2 - *Share-Based Payment* charge not yet expensed is added to the exercise price.

	2024 Cents	2023 Cents
Earnings per ordinary share	**682,5**	555,6
Diluted earnings per ordinary share	**675,5**	553,8
Headline earnings per ordinary share	**687,1**	553,6
Diluted headline earnings per ordinary share	**680,0**	551,8

30. Dividends paid

	2024 R'm	2023 R'm
Ordinary shares		
No.100 of 292 cents, paid 24 October 2022		968,3
No.101 of 172 cents, paid 17 April 2023		570,4
No.102 of 310 cents, paid 23 October 2023	**1 035,2**	
No.103 of 202 cents, paid 22 April 2024	**674,6**	
	1 709,8	1 538,7
Ordinary dividend No.104 of 388 cents in respect of the year ended 30 June 2024 and a special dividend No.105 of 280 cents per share were declared on 6 September 2024 and are payable on 21 October 2024. This will be at the following cost after taking account of the ordinary shares in issue at the date of approval of the Annual Report.	**2 231,0**	

The dividends have been declared out of income reserves and are subject to dividend withholding tax at a rate of 20% in respect of those shareholders who are not exempt from paying dividend withholding tax.

31. Commitments

	2024 R'm	2023 R'm
Commitments		
Capital commitments		
Capital expenditure authorised by the directors		
Property, plant and equipment		
– contracted for	**157,9**	171,7
– not contracted for	**52,9**	92,4
	210,8	264,1

It is anticipated that this expenditure will be financed by cash resources, cash generated from operating activities and existing borrowing facilities.

Other contractual commitments have been entered into in the normal course of business.

32. Employee benefits

	2024 R'm	2023 R'm
Employment costs	**3 431,7**	3 159,5
Short-term employment benefits	**2 975,7**	2 853,7
Termination benefits	**45,9**	8,4
Retirement benefits	**186,5**	179,6
Post-retirement medical aid costs	**35,0**	35,3
Share-based payments – equity-settled	**98,0**	58,0
Movement in provisions for long-term earnings-linked performance bonuses	**88,5**	24,9
I&J Black Staff Employee Benefit Scheme	**2,1**	(0,4)

32.1 Retirement benefits

The Group provides retirement benefits for its eligible employees. Of the Group's 8 937 (2023: 9 220) employees, 7 498 (2023: 7 908) are members of defined contribution Group pension and provident funds or state-administered funds in other jurisdictions. South African funds are governed by the Pension Funds Act 1956, as amended. Other funds are governed by the respective legislation of the countries concerned. The contributions paid by the Group companies for retirement benefits are charged to profit or loss as they are incurred, and amounted to R186,5 million (2023: R179,6 million).

32.2 Share incentive schemes

The interests of the directors are given on page 120 in the directors' remuneration report.

A summary of the movements in share incentive instruments is set out in the tables below.

The Revised AVI Limited Executive Share Incentive Scheme

The Revised AVI Limited Executive Share Incentive Scheme was approved by shareholders at the Annual General Meeting held on 3 November 2016 and replaced the AVI Limited Executive Share Incentive Scheme. Eligible participants are awarded share appreciation rights, which vest after the completion of a three-year service period, subject to the satisfaction of a performance condition, namely that the AVI return on capital employed over the period exceeds the weighted average cost of capital. Upon vesting, participants are entitled to exercise their awards by receiving AVI shares equal to the increase in value of their awards between award date and exercise date. The cost of these AVI shares is funded by way of contributions from employer companies in respect of participants who are their employees.

32. Employee benefits continued

32.2 Share incentive schemes continued

Date of award	Award price per instrument R	Instruments outstanding at 30 June 2023 number	Awarded number	Exercised/ lapsed number	Relinquished[1]/ forfeited number	**Instruments outstanding at 30 June 2024 number**
1 October 2018	106,84	107 738	–	(107 738)	–	**–**
1 April 2019	89,27	379 025	–	(195 880)	(183 145)	**–**
1 October 2019	83,91	279 905	–	(226 219)	(39 988)	**13 698**
1 April 2020	69,75	983 742	–	(403 084)	–	**580 658**
1 October 2020	74,52	404 942	–	(319 092)	(7 018)	**78 832**
1 April 2021	73,85	926 778	–	(220 100)	(85 273)	**621 405**
1 October 2021	86,04	350 328	–	(37 918)	(22 444)	**289 966**
1 April 2022	69,23	1 217 175	–	–	(52 345)	**1 164 830**
1 October 2022	73,43	630 078	–	(22 964)	(59 710)	**547 404**
1 April 2023	66,48	1 463 009	–	–	(17 724)	**1 445 285**
1 October 2023	75,20	–	640 113	–	–	**640 113**
1 April 2024	91,54	–	973 508	–	–	**973 508**
		6 742 720	1 613 621	(1 532 995)	(467 647)	**6 355 699**
Weighted average award price (R)		73,26	85,06	78,98	80,49	**74,35**
Weighted average exercise price on date of exercise (R)				89,29		

The weighted average remaining contractual life of instruments outstanding as at 30 June 2024 is 1,3 years (2023: 1,3 years).

[1] *The number of relinquished instruments represents instruments sacrificed in favour of AVI Limited Out-Performance Scheme options in terms of the rules of the AVI Limited Out-Performance Scheme.*

The share appreciation rights are available to be exercised in their entirety three years after the effective date of granting of awards, subject to the performance condition being met. Any rights not exercised by the fifth anniversary of such date will lapse. Exercises in any period prior to vesting in the third year represent the portion allowed to be exercised on retirement, death, disability or retrenchment.

The AVI Limited Out-Performance Scheme

Eligible participants are awarded notional shares, which vest after the completion of a three-year service period, and are converted to AVI shares subject to AVI's performance against an identified peer group over the vesting period.

The scheme is based on a total shareholder return ("TSR") measure. TSR is the increase in value of shares after the notional reinvestment of all distributions. Allocations of notional shares are made in conjunction with the identification of the peer group against which that tranche will be measured.

At the measurement date in respect of each tranche:
- AVI's TSR and the TSR of each peer in the peer group for that tranche will be determined;
- the TSR of each peer in the peer group will be ranked in ascending order in 10 performance deciles;
- depending on the peer group decile within which AVI's TSR is ranked, a vesting multiple of between 0 times and 3,6 times will be applied to the notional shares to determine the number of shares allocated to the participant upon vesting. No shares vest if AVI's TSR is ranked below the 50th peer group percentile.

Upon vesting, each participant will receive the AVI shares due to them. The cost of the AVI shares is funded by way of contributions from employer companies in respect of participants who are their employees.

As the allocation of awards is a notional allocation, the notional shares so allocated will not attract any dividends or voting rights in the hands of participants until vested.

32. Employee benefits continued

32.2 Share incentive schemes continued

Date of award	Award price per instrument R	Instruments outstanding at 30 June 2023 number	Awarded number	Lapsed* number	Forfeited number	**Instruments outstanding at 30 June 2024 number**
1 October 2020	72,42	459 739	–	(434 470)	(25 269)	**–**
1 October 2021	79,98	343 057	–	–	(53 883)	**289 174**
1 October 2022	72,99	558 776	–	–	(34 875)	**523 901**
1 October 2023	74,00	–	705 568	–	(53 746)	**651 822**
		1 361 572	705 568	(434 470)	(167 773)	**1 464 897**
Weighted average award price (R)		74,56	74,00	72,42	75,47	**74,82**
Weighted average share price on date of exercise (R)				–		

The weighted average remaining contractual life of instruments outstanding as at 30 June 2024 is 1,5 years (2023: 1,3 years).

All notional shares vest three years after award date. Notional shares are converted to AVI shares only if the performance requirements are met on the vesting date.

* *In the year the performance criteria around the TSR achieved were not met and consequently these shares did not vest and lapsed.*

The AVI Limited Deferred Bonus Share Plan

The AVI Limited Deferred Bonus Share Plan was approved by shareholders at the Annual General Meeting held on 3 November 2016. The value of the awards allocated is determined with reference to each eligible participant's annual bonus (earned under the Group's short-term bonus incentive framework). A portion of the annual bonus is paid in cash while the deferred element is settled in equity as AVI shares and is subject to a three-year service period before vesting, during which period the bonus shares remain restricted. These shares are held by an escrow agent on behalf of participants during this vesting period. Participants are, however, eligible to receive dividends and vote at shareholder meetings.

Date of award	Award price per instrument R	Instruments outstanding at 30 June 2023 number	Awarded number	Exercised number	Forfeited number	**Instruments outstanding at 30 June 2024 number**
1 October 2020	74,52	145 332	–	(144 342)	(990)	**–**
1 October 2021	86,04	229 239	–	(8 891)	(5 384)	**214 964**
1 October 2022	73,43	601 340	–	(10 397)	(19 550)	**571 393**
1 June 2023	63,58	1 677 534	–	(12 335)	(56 555)	**1 608 644**
1 October 2023	75,20	–	655 743	(1 836)	(14 336)	**639 571**
		2 653 445	655 743	(177 801)	(96 815)	**3 034 572**
Weighted average award price (R)		68,35	75,20	74,28	68,65	**69,47**
Weighted average share price on date of exercise (R)				76,31		

The weighted average remaining contractual life of instruments outstanding as at 30 June 2024 is 1,7 years (2023: 2,5 years).

Upon vesting, the shares become unrestricted in the hands of participants. The cost of the AVI shares is funded by way of contributions from employer companies in respect of participants who are their employees.

The vesting of shares prior to the completion of the three-year restriction period represents the portion allowed to vest on retirement, death, disability or retrenchment.

32. Employee benefits continued

32.2 Share incentive schemes continued

The AVI Limited Full Value Cash-settled Phantom Share Incentive Scheme

The AVI Limited Full Value Cash-settled Phantom Share Incentive Scheme was approved by the Remuneration Committee on 14 November 2023. Eligible participants are awarded notional shares, which vest after the completion of a three-year service period, subject to the satisfaction of the following performance conditions:

- The average return on invested capital exceeds the weighted average cost of capital by a factor of 1,25 over the three-year vesting period; and
- The average cash generated by operations exceeds 75% of earnings before interest, taxes, depreciation, and amortisation over the three-year vesting period.

Date of award	Award price per instrument R	Instruments outstanding at 30 June 2023 number	Awarded number	Exercised number	Relinquished[1]/ forfeited number	**Instruments outstanding at 30 June 2024 number**
1 April 2024	91,54	–	51 043	–	–	**51 043**
		–	51 043	–	–	**51 043**
Weighted average award price (R)			91,54			**91,54**

The weighted average remaining contractual life of instruments outstanding as at 30 June 2024 is 2,8 years.

[1] *The number of relinquished instruments represents instruments sacrificed in favour of AVI Limited Out-Performance Scheme options in terms of the rules of the AVI Limited Out-Performance Scheme.*

Upon vesting, each participant will receive the full value of the notional shares in cash. The notional shares are available to be exercised in their entirety three years after the effective date of granting of awards, subject to the performance conditions being met. Any rights not exercised immediately will lapse. Exercises in any period prior to vesting in the third year represent the portion allowed to be exercised on retirement, death, disability or retrenchment.

The AVI Black Staff Empowerment Scheme

The AVI Black Staff Empowerment Scheme was established to provide certain full-time black employees of the Group with the opportunity of acquiring shares in the capital of the Company, and has been incorporated within the AVI Black Staff Empowerment Scheme Holding Trust ("the Trust"). The purchase of shares by the Trust for the purpose of the scheme was funded by way of loans from employer companies in respect of participants who are their employees.

Participants were granted a right to purchase ordinary AVI shares equal to the number of options awarded in three equal tranches after the fifth, sixth and seventh anniversaries of acceptance of the offer by the participant. The right to purchase was subject to the settlement of the exercise price by the participant and the express condition that the participant was still an employee at the relevant exercise date. The final allocation was made in December 2011 and the final tranche vested on 31 December 2018. The scheme established in terms of the Trust deed has terminated and no further allocations will be made.

The remaining share options at 30 June 2024 in respect of good leavers have lapsed in terms of the scheme rules. These options remain unexercised despite ongoing attempts to trace the affected participants. The Trustees have, however, resolved to allow these participants to exercise their share options should they be traced in future.

	2024 number	2023 number
Remaining share options	**40 124**	40 124

32. Employee benefits continued

32.2 Share incentive schemes continued

Restrictions

Ordinary shares in the authorised and unissued capital of the Company were placed under the control of the directors with specific authority to allot and issue them in terms of the Company's existing share incentive schemes ("the schemes"). The total number of share instruments, options or instruments convertible into ordinary shares which may be allocated for purposes of the schemes are detailed in the table below.

Share incentive scheme	Authorised number	% of total issued share capital*	Remaining authorised but not issued number
Revised AVI Limited Executive Share Incentive Scheme	5 213 369	1,5	5 061 050
AVI Limited Deferred Bonus Share Plan	5 213 369	1,5	1 171 551
AVI Limited Out-Performance Scheme	6 915 158	2,0	4 428 128
Total	17 341 896	5,0	10 660 729

** As at date authority was granted.*

32.3 Share-based payments

The fair value of the equity instruments is measured as follows:

Revised AVI Limited Executive Share Incentive Scheme	Black-Scholes valuation model
AVI Limited Out-Performance Scheme	Black-Scholes and Monte Carlo valuation methodology
AVI Limited Deferred Bonus Share Plan	Award date market price of shares
AVI Limited Full Value Cash-settled Phantom Share Incentive Scheme	Award date market price of shares

The contractual life of the equity instruments is used as an input into the model. The equity instruments are granted under a service condition and expected attrition is considered in estimating the number of options expected to vest.

The fair value of the estimated number of options expected to vest is expensed over the vesting period of the underlying equity instrument. In the event of accelerated vesting, the remaining fair value of the vested instruments is expensed in the period of vesting.

32. Employee benefits continued

32.3 Share-based payments continued

Assumptions applied in arriving at fair value of instruments issued during the year	2024	2023
Equity instruments issued by the Revised AVI Limited Executive Share Incentive Scheme		
Fair value at grant date	R14,33 – R17,00	R11,53 – R11,83
Share price	R57,96 – R70,71	R51,21 – R56,51
Exercise price	R75,20 – R91,54	R66,48 – R73,34
Expected volatility	21,7% – 22,8%	20,3% – 23,7%
Option life	3,5 years	3,5 years
Dividend yield	2,02% – 3,10%	2,92% – 3,06%
Risk-free interest rate	12,30% – 12,38%	10,77% – 11,06%
Equity instruments issued by the AVI Limited Out-Performance Scheme		
Fair value at grant date	R24,35	R49,99
Share price	R74,00	R72,99
Option life	3 years	3 years
Dividend yield	7,4%	6,8%
Risk-free interest rate	11,38%	10,77%
Expected mean TSR performance	10,8%	6,4%
Equity instruments issued by the AVI Limited Deferred Bonus Share Plan		
Share price	R75,20	R63,58 – R73,43
Notional instruments issued by the AVI Limited Full Value Cash-settled Phantom Share Incentive Scheme		
Share price	R91,54	
Option life	3 years	
Dividend yield	5,9%	
Risk-free interest rate	11,41%	

The expected volatility is based on the average volatility over a period of six months prior to grant date or measurement date.

The GSAB 10-year index was used to determine a risk-free interest rate at grant date or measurement date.

	2024 R'm	2023 R'm
Equity-settled share-based payment expense		
Revised AVI Limited Executive Share Incentive Scheme	15,3	13,9
AVI Limited Out-Performance Scheme	15,5	19,4
AVI Limited Deferred Bonus Share Plan	67,2	24,7
	98,0	58,0
Cash-settled share-based payment expense		
AVI Limited Full Value Cash-settled Phantom Share Incentive Scheme	0,3	–
	0,3	–

33. Broad-based Black Economic Empowerment ("BBBEE") transactions

A staff scheme was implemented at I&J Limited (a subsidiary of Irvin & Johnson Holding Company Proprietary Limited (''I&J HoldCo") in December 2021. Through the introduction of this scheme 6,25% of the shareholding in I&J Limited was issued to the I&J Staff Holding Company Proprietary Limited ("I&J Staff HoldCo"), a company owned by the South African black employees of the I&J Group and its fellow subsidiaries. As part of the implementation of the scheme, I&J Staff HoldCo obtained notional vendor finance ("NVF") from I&J Limited to fund the purchase consideration of R38,5 million.

The previous shareholder arrangement with Main Street 198 (Pty) Ltd ("Main Street"), the minority shareholder at I&J HoldCo, matured on 1 July 2023. In terms of the agreements, and on the maturity date, AVI Limited exercised its call option over the 20% shareholding in I&J HoldCo held by Main Street and the preference shares held by AVI Limited in Main Street were redeemed.

In line with the commitment to sustainable transformation, a broad-based sharing of Broad-based Black Economic Empowerment ("BBBEE") economic value and the codes, the new BBBEE transaction was implemented with effect from 1 July 2023 in terms of which Twincitiesworld (Pty) Ltd ("Twincitiesworld"), a 100% black-owned company, acquired an 18,75% interest in I&J Limited. The consideration for the issue of shares amounted to R115,5 million and was funded by I&J HoldCo subscribing for cumulative redeemable preference shares in Twincitiesworld.

The Twincitiesworld Memorandum of Incorporation allows for the payment of ordinary dividends to Twincitiesworld's shareholders out of dividends received by Twincitiesworld from I&J Limited, with the balance paid as preference dividends to I&J HoldCo. Furthermore, the shareholders' agreement provides for put and call options between I&J HoldCo and Twincitiesworld, the exercise price of which is determined by a fixed formula based on I&J Limited's earnings.

As a result of the above arrangements the effective direct BBBEE shareholding in I&J Limited is 25% (2023: 25%).

The Group has adopted the following principles in accounting for the transactions referred to above:

Accounting recognition of the non-controlling interests in I&J

Notwithstanding that the BBBEE transactions have been completed and that the BBBEE shareholders have beneficial ownership and voting control over their 25% shareholding, the accounting recognition in the Group's consolidated financial statements of a non-controlling interest in respect of shares held by the BBBEE company in I&J Limited is deferred until such shares in I&J Limited are regarded as issued outside of the Group in terms of the control principles of IFRS 10 – *Consolidated Financial Statements*.

I&J Staff HoldCo

The I&J Staff HoldCo shareholders' agreement provides for the payment of ordinary dividends equal to 10% of dividends received from I&J Limited, to the I&J Staff HoldCo's shareholders (who are employees of I&J Limited and its fellow subsidiaries). Furthermore, the I&J Staff HoldCo Memorandum of Incorporation provides for a call option whereby I&J HoldCo can acquire I&J Staff HoldCo's shareholding from I&J Limited from 1 July 2036, and a put option whereby the shareholders of I&J Staff HoldCo could require I&J HoldCo to purchase their shareholding in I&J Staff HoldCo from 28 December 2036. The exercise price is determined by a fixed formula per the shareholders' agreement largely based on I&J Limited's earnings performance and the remaining value of the NVF loan balance. The arrangement has been accounted for as an employee benefit liability within the scope of IAS 19 – *Employee Benefits* in the consolidated annual financial statements as ultimately the obligation is to the employees of the Group. The liability (Note 14 – R2,1 million (2023: Rnil)) has been measured using the projected unit credit method and an expense of R2,1 million has been recognised in the current year (2023: an income of R0,4 million). Refer to Note 32.

33. Broad-based Black Economic Empowerment ("BBBEE") transactions continued

Twincitiesworld

The various contracts that give rise to the acquisition of the 18,75% interest in I&J Limited (the put and call option, "A" preference shares and purchase of the 18,75% investment in I&J Limited) are considered to be linked and are therefore accounted for as one transaction.

Based on the redemption terms and options, I&J HoldCo also has a settlement choice to settle in cash or allow the put and call options to lapse and effectively render the shares in I&J Limited to vest in Twincitiesworld subject to the redemption of the preference shares.

The Group has a past practise of settling in cash, in terms of previous Main Street and employee share schemes of the Group in I&J HoldCo and I&J Limited. Furthermore it has the intention of settling in cash based upon the commercial rationale of ultimately retaining all of the equity and control of I&J Limited within the Group.

Therefore based on both settlement options outlined above and the past practise and intention of settling such schemes in cash, a cash-settled share-based payment liability is recognised at the fair value of the amount expected to be paid to BBBEE participants.

A cash-settled share-based payment liability of R15,2 million has been recognised for the present value of the final option value plus estimated dividends over the remaining period. The fair value is estimated using the Monte Carlo valuation methodology by extrapolating I&J Limited's historical earnings over the remaining vesting period of 12,5 years, discounted at 15,4%, and will be assessed annually.

	2024
The inputs used in the Monte Carlo valuation methodology:	
Fair value of preference share investment at grant date	**R115,5 million**
Option life/term	**12,5 years**
Dividend payout ratio	**40%**
Expected volatility	**113,7%**
Risk-free interest rate	**11,95%**

34. Related party transactions

	2024 R'm	2023 R'm
Transactions with group entities		
Other receivables from joint ventures	–*	0,4
Other payables to joint ventures	0,1	–
Purchases from joint ventures	1,6	29,5
Payments to AVI Limited Pension Fund	109,2	102,0
Payments to AVI Limited Provident Fund	141,4	137,0

** Where Rnil amount is less than R0,1 million.*

Details of the significant subsidiaries, joint ventures and other investments are given on pages 152 and 186.

Material shareholders

The Company does not have a holding company.

Ordinary shares

The beneficial holders of 3% or more of the issued ordinary shares of the Company at 30 June 2024, according to the information available to the directors were:

	Number of ordinary shares	%
Government Employees Pension Fund	72 284 124	21,3
Allan Gray	14 742 129	4,3
Vanguard Investment Management	12 798 353	3,8

Directors of the Company

Directors' emoluments

The individual directors' emoluments paid in respect of the financial period under review are set out in the directors' remuneration report on page 106.

Directors' service contracts

Standard terms and conditions of employment apply to executive directors, which provide for notice of termination of three months. Non-executive directors conclude service contracts with the Company on appointment. Their term of office is governed by the Memorandum of Incorporation which provides that one-third of the aggregate number of directors will retire by rotation at each Annual General Meeting, but may, if eligible, offer themselves for re-election.

Transactions with key management personnel

The directors of the Company, directors of its subsidiaries and business unit management with executive responsibility have been identified as the key management personnel of the Group.

The key management personnel costs are as follows:

	2024 R'm	2023 R'm
Short-term employee benefits	199,2	238,7
Post-employment benefits	9,4	8,8
Termination benefits	15,4	–
Other long-term benefits*	8,0	0,8
Share-based payment benefits	71,2	37,9
	303,2	286,2

** Gains on settlement of long-term earnings-linked performance bonuses.*

Executives also participate in the Company's share incentive schemes, details of which are provided in Note 32.

35. Financial risk management

35.1 Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing financial risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of directors has overall responsibility for the establishment and oversight of the Group's financial risk management framework. The AVI Group Treasury, together with the relevant business unit executives, is responsible for developing the relevant financial risk management policies and for monitoring risk.

The Group's financial risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to identify and review changes in market conditions and the Group's activities. The Group aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees management's monitoring of compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the financial risks faced by the Group. The Group Audit Committee is assisted in its oversight role by internal audit.

35.2 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. The Board of directors monitors the return on average capital employed, which the Group defines as operating profit before capital items from continuing operations, after taxation, divided by average total shareholders' equity plus net debt.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group's target, which is determined by the AVI Board, is to achieve a return on average capital employed of at least 120% of the weighted average cost of capital, which was estimated at 11,7% (2023: 11,9%). In 2024 the return was 34,3% (2023: 29,5%). In comparison, the weighted average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 9,41% (2023: 7,85%).

From time to time the Group purchases its own shares in the market under general authority granted by shareholders; the timing of these purchases depends on market prices. Primarily, the shares are repurchased as part of a programme to return capital to shareholders, but some may be used for issuing shares under the Group's incentive schemes. Buying decisions are made under specific mandates from the executive directors.

There were no changes to the Group's approach to capital management during the year.

The AVI Group is subject to and complies with the following financial covenants required by some of the Group's bankers:

- consolidated net debt to EBITDA less than 2,5; and
- consolidated EBITDA to net interest paid greater than 3,5.

Internal debt limits used by executive management on a day-to-day basis are more conservative than the above.

35.3 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, cash and cash equivalents, loan receivables and other investments.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Geographically there is concentration of credit risk in the South African market.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum open amount; these limits are reviewed annually or when conditions arise that warrant a review. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

35. Financial risk management continued

35.3 Credit risk continued

Most of the Group's customers have been transacting with the Group for over three years, and losses have occurred infrequently. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end-user customer, geographic location, industry, ageing profile, maturity, existence of previous financial difficulties and existence of current financial difficulties. Trade and other receivables relate mainly to the Group's retail and wholesale customers. Customers that are graded as "high risk" are placed on a restricted customer list, and future sales are made on a prepayment basis. Overdue accounts are put on hold until payments are received to return them to within limits.

Most goods sold are subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. The Group does not require collateral in respect of trade and other receivables.

The Group establishes an impairment loss allowance for expected credit losses in respect of trade and other receivables by applying the simplified approach of IFRS 9, measuring the impairment loss allowance based on lifetime expected credit loss. Further to this, as a practical expedient, the Group applies a provision matrix assessing historical credit losses per aged bucket of trade debtors, grouped into customer segments with similar loss patterns, and overlays this with the Group's assessment of general economic conditions to estimate expected future losses. The assessment of impairment loss allowance takes into account credit enhancements that are part of the contractual terms and are not recognised separately by the Group. The majority of the debtors balance is insured.

Cash and cash equivalents, loan receivables and other investments

The majority of the Group's investments are in liquid securities with counterparties that have sound credit ratings. Where considered necessary, security is sought. Management does not expect any counterparty to fail to meet its obligations.

Guarantees

The Company's policy is to provide limited financial guarantees in respect of banking facilities for subsidiaries. At 30 June 2024 guarantees were in place for AVI Financial Services Proprietary Limited, National Brands Limited, Irvin & Johnson Holding Company Proprietary Limited, A&D Spitz Proprietary Limited, Indigo Brands Proprietary Limited, Hampton Sportswear Proprietary Limited, Green Cross Manufacturers Proprietary Limited, Ciro Full Service Beverage Company Proprietary Limited, Irvin & Johnson Aquaculture Proprietary Limited and Irvin & Johnson Property Holding Company Proprietary Limited (2023: AVI Financial Services Proprietary Limited, National Brands Limited, Irvin & Johnson Holding Company Proprietary Limited, A&D Spitz Proprietary Limited, Indigo Brands Proprietary Limited, Hampton Sportswear Proprietary Limited, Green Cross Manufacturers Proprietary Limited, Ciro Full Service Beverage Company Proprietary Limited, Irvin & Johnson Aquaculture Proprietary Limited and Irvin & Johnson Property Holding Company Proprietary Limited). There have been no draw downs of the above mentioned guarantees in the current and prior year.

In addition, the Company provides limited sureties for subsidiaries in relation to outstanding debt under the cash management agreement for Group subsidiary companies that participate in the Group's cash management agreement.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2024 R'm	2023 R'm
Long-term receivables	**20,9**	19,9
Derivatives	**63,1**	44,4
Trade and other receivables*	**1 980,9**	1 790,0
Cash and cash equivalents	**352,9**	494,9
Total	**2 417,8**	2 349,2

** Excludes prepayments and VAT receivables.*

35. Financial risk management continued

35.3 Credit risk continued

The maximum exposure to credit risk for trade receivables** for the Group at the reporting date by geographic region was:

	Carrying amount 2024 R'm	Carrying amount 2023 R'm
South Africa	**1 492,6**	1 298,2
Europe	**214,4**	242,9
Australasia	**19,8**	9,1
Rest of Africa	**192,3**	164,5
Other	**29,5**	26,6
Total	**1 948,6**	1 741,3

*** Net of allowances for credit notes, discounts and other trade terms.*

The maximum exposure to credit risk for trade receivables for the Group at the reporting date by type of customer was:

	Carrying amount 2024 R'm	Carrying amount 2023 R'm
Wholesale customers	**916,7**	742,8
Retail customers	**900,9**	882,6
End-user customers and direct sales	**131,0**	115,9
Total	**1 948,6**	1 741,3

The Group's most significant customers, being two South African retailers, accounted for 41,4% of the carrying amount of trade receivables at 30 June 2024 (2023: 31,7%).

Impairment losses

The ageing of trade receivables at the reporting date was:

	2024			2023		
	Gross R'm	**Impairment loss allowance R'm**	**Expected credit loss rate %**	Gross R'm	Impairment loss allowance R'm	Expected credit loss rate %
Not past due	**1 877,0**	**–**	**–**	1 715,5	–	–
Past due 0 – 30 days	**37,9**	**(0,1)**	**0,3**	3,3	(0,1)	3,0
Past due 31 – 120 days	**16,8**	**(1,1)**	**6,5**	18,8	(2,1)	11,2
Past due 121 days – 1 year	**15,4**	**(1,9)**	**12,3**	2,3	(1,2)	52,2
Past due more than 1 year	**1,5**	**(1,5)**	**100,0**	1,4	(1,4)	100,0
Total	**1 948,6**	**(4,6)**	**0,2**	1 741,3	(4,8)	0,3

The majority of trade receivables not past due relate to credit extended to large South African retailers and wholesalers, considered to be of a high credit grade.

Based on historical default rates, the Group believes that a nominal impairment loss allowance is appropriate in respect of trade receivables not past due.

The movement in the impairment loss allowance in respect of trade receivables during the year was as follows:

	2024 R'm	2023 R'm
Balance as at 1 July	**(4,8)**	(5,8)
Impairment loss recognised in profit or loss	**(3,3)**	(1,2)
Impairment loss utilised	**3,5**	2,2
Balance as at 30 June	**(4,6)**	(4,8)

35. Financial risk management continued

35.3 Credit risk continued

The assumptions used to calculate the expected credit loss allowance include, among others, insurance cover in place, past impairment provisions and bad debts written off as well as management's assessment of the fast moving consumer goods environment.

The allowance for impairment in respect of trade receivables is used to record expected credit losses unless the Group is satisfied that no recovery of the amount owing is possible at that point, the amount is considered irrecoverable and is written off against the financial asset directly.

The carrying amounts represent the maximum exposure to credit risk.

35.4 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group actively manages short-term funding requirements via the Group Treasury with regular forecasts. Typically the Group ensures that it has sufficient liquidity to meet expected operational expenses for a period of eight weeks, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the Group maintains R4,9 billion of committed borrowing facilities with banks. These are a combination of short- and medium-term facilities. These facilities provide the Group with access to sufficient funding to maintain its strong financial position.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount R'm	Contractual cash flows R'm	1 year or less R'm	+1 – 2 years R'm	+2 – 5 years R'm	More than 5 years R'm
30 June 2024						
Non-derivative financial liabilities						
Trade and other payables*	**1 381,1**	**1 381,1**	**1 381,1**	**–**	**–**	**–**
Lease liabilities	**542,9**	**673,9**	**177,2**	**139,0**	**220,7**	**137,0**
Current borrowings	**1 229,2**	**1 229,2**	**1 229,2**	**–**	**–**	**–**
	3 153,2	**3 284,2**	**2 787,5**	**139,0**	**220,7**	**137,0**
30 June 2023						
Non-derivative financial liabilities						
Trade and other payables*	1 514,9	1 514,9	1 514,9	–	–	–
Lease liabilities	543,7	719,6	219,6	136,3	196,2	167,5
Current borrowings	1 701,0	1 701,0	1 701,0	–	–	–
	3 759,6	3 935,5	3 435,5	136,3	196,2	167,5

** Excludes earnings-linked performance bonuses, post-retirement medical aid liabilities and indirect tax liabilities.*

35. Financial risk management continued

35.4 Liquidity risk continued

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to occur.

	Carrying amount R'm	Contractual cash flows R'm	1 year or less R'm	+1 – 2 years R'm	+2 – 5 years R'm	More than 5 years R'm
30 June 2024						
FECs used for hedging						
– Imports	**(22,4)**	**982,5**	**982,5**	**–**	**–**	**–**
– Exports	**43,8**	**(884,0)**	**(884,0)**	**–**	**–**	**–**
	21,4	**98,5**	**98,5**	**–**	**–**	**–**
Imports – average forward rate:						
– USD/ZAR			**18,78**			
– EUR/ZAR			**20,53**			
Exports – average forward rate:						
– USD/ZAR			**19,63**			
– EUR/ZAR			**21,58**			
30 June 2023						
FECs used for hedging						
– Imports	16,1	419,1	419,1	–	–	–
– Exports	(42,5)	(1 091,2)	(918,9)	(172,2)	–	–
	(26,4)	(672,1)	(499,8)	(172,2)	–	–
Imports – average forward rate:						
– USD/ZAR			17,93			
– EUR/ZAR			19,37			
Exports – average forward rate:						
– USD/ZAR			18,56			
– EUR/ZAR			19,92			

35.5 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and commodity input prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

The Group buys foreign currency derivatives in order to manage foreign exchange risks. Such transactions are carried out within the guidelines set by the Group Treasury. Generally the Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

The Group also enters into fuel swaps to manage a portion of its exposure to fluctuations in oil prices.

The Group does not enter into commodity contracts other than to meet the Group's expected usage requirements; such contracts are not net-settled.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The Group is primarily exposed to the Euro, the US Dollar and the Australian Dollar.

Generally the Group hedges 25 to 75 percent of its estimated foreign currency exposure in respect of forecast sales and purchases over the following 12 months. The Group hedges between 75 and 100 percent of all trade receivables, trade payables and firm and ascertainable commitments denominated in a foreign currency. The Group uses forward exchange contracts to hedge its currency risk, all with a maturity of less than one year from the reporting date. When necessary, forward exchange contracts are rolled over at maturity.

35. Financial risk management continued

35.5 Market risk continued

In respect of transactions not covered by forward exchange contracts or other monetary assets and liabilities denominated in foreign currencies that arise in the normal course, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary.

The Group's investments in foreign subsidiaries are not hedged as those currency positions are considered to be long-term in nature.

Exposure to currency risk

The Group's exposure to significant foreign currency risk was as follows, based on nominal amounts:

	Trade receivables FC'm	Cash and cash equivalents FC'm	Trade payables FC'm	Borrowings (including lease liabilities) FC'm	Balance sheet exposure FC'm	Estimated forecast sales* FC'm	Estimated forecast purchases* FC'm	FECs on sales/ receivables FC'm	FECs on purchases/ payables FC'm	Net forecast FC exposure# FC'm
Net exposure as at 30 June 2024										
Australian Dollar	**1,7**	**–**	**–**	**–**	**1,7**	**8,8**	**–**	**(3,8)**	**–**	**6,7**
Botswana Pula	**39,8**	**38,6**	**(0,2)**	**(27,0)**	**51,2**	**–**	**–**	**–**	**–**	**51,2**
Euro	**9,5**	**7,0**	**(1,9)**	**(0,6)**	**14,0**	**63,6**	**(23,1)**	**(27,7)**	**12,0**	**38,8**
US Dollar	**1,8**	**3,4**	**(3,6)**	**(0,5)**	**1,1**	**21,2**	**(75,4)**	**(8,4)**	**40,7**	**(20,8)**
UK Pound	**1,4**	**0,2**	**(0,1)**	**–**	**1,5**	**7,4**	**–**	**(3,1)**	**–**	**5,8**
Zambian Kwacha	**28,8**	**19,9**	**–**	**(11,2)**	**37,5**	**–**	**–**	**–**	**–**	**37,5**
Namibian Dollar	**29,4**	**27,2**	**(6,2)**	**(2,2)**	**48,2**	**–**	**–**	**–**	**0,1**	**48,3**
Net exposure as at 30 June 2023										
Australian Dollar	0,7	–	–	–	0,7	8,9	–	(8,5)	–	1,1
Botswana Pula	27,5	37,5	(1,0)	(15,9)	48,1	–	–	–	–	48,1
Euro	11,2	1,9	(3,8)	(0,8)	8,5	60,7	(26,0)	(42,8)	7,8	8,2
US Dollar	1,6	3,6	(6,5)	(1,6)	(2,9)	25,3	(72,7)	(16,4)	22,9	(43,8)
UK Pound**	0,7	0,7	(0,1)	–	1,3	11,8	–	(7,7)	–	5,4
Zambian Kwacha	37,7	17,8	(0,1)	(5,9)	49,5	–	–	–	–	49,5
Namibian Dollar**	23,7	19,3	(4,1)	(0,3)	38,6	–	–	–	–	38,6

* *Estimated forecast sales and purchases reflect anticipated transactions for the 12 months from 30 June.*

** *In the prior year, the net forecast exposure disclosed excluded UK Pound and Namibian Dollar. This has been included to be comparative with the current year. The inclusion does not impact any of the primary statements nor does it impact any other financial information previously presented.*

\# *In the prior year, the net forecast FC exposure was incorrectly calculated. This has been updated accordingly to be comparative with the current year with no impact on the primary statements.*

The following significant exchange rates applied during the year:

	Reporting date			
	30 June 2024		30 June 2023	
1FC = X ZAR	**Closing rate**	**Average for the year**	Closing rate	Average for the year
Australian Dollar	**12,14**	**12,25**	12,53	11,99
Botswana Pula	**1,34**	**1,37**	1,39	1,36
Euro	**19,49**	**20,15**	20,52	18,79
US Dollar	**18,19**	**18,67**	18,79	17,90
UK Pound	**23,00**	**23,49**	23,90	21,63
Zambian Kwacha	**0,76**	**0,80**	0,94	0,93

35. Financial risk management continued

35.5 Market risk continued

Sensitivity analysis

A 10 percent weakening of the Rand against the following currencies at 30 June applied against the net forecast foreign currency exposure for the next 12 months would result in the following changes to operating profit over a 12-month period. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as 2023.

	Profit/(loss) and equity	
	2024 R'm	2023# R'm
Australian Dollar	**8,1**	1,4
Botswana Pula	**6,9**	6,7
Euro	**75,6**	16,8
US Dollar	**(37,8)**	(82,3)
UK Pound	**13,3**	12,9
Zambian Kwacha	**2,8**	4,7
	68,9	(39,8)

In the prior year, the net forecast FC exposure was incorrectly calculated. This has been updated accordingly to be comparative with the current year with no impact on the primary statements.

A 10 percent strengthening of the Rand against the above currencies at 30 June would have had an equal but opposite effect to the amounts shown above. This analysis assumes that all other variables, in particular interest rates, remain constant.

Interest rate risk

The Group, being strongly cash generative, adopts a policy of ensuring that most of its exposure to changes in interest rates on borrowings is on a floating rate basis. Where economical, interest rate swaps may be entered into on a portion of debt.

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount	
	2024 R'm	2023 R'm
Variable rate instruments		
– financial assets[1]	**352,9**	494,9
– financial liabilities[2]	**(1 229,2)**	(1 701,0)
	(876,3)	(1 206,1)

[1] *Includes cash and cash equivalents.*
[2] *Includes current borrowings.*

Fair value sensitivity analysis for fixed rate instruments

The Group accounts for fixed rate instruments on an amortised cost basis and therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates at the reporting date, calculated on the closing balances and using simple interest for 12 months, would have decreased profit by the amounts shown below. A decrease of 100 basis points would have had an equal but opposite effect to the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as 2023.

	Profit/(loss) and equity	
	2024 R'm	2023 R'm
Variable rate instruments		
– financial assets	**3,5**	4,9
– financial liabilities	**(12,3)**	(17,0)
Net cash flow sensitivity	**(8,8)**	(12,1)

36. Financial assets and liabilities

Accounting classifications and fair values

The table below sets out the Group's classification of each class of financial assets and liabilities, including their levels in the fair value hierarchy (if applicable).

	Carrying amount			Fair value hierarchy		
	Assets	Debt instruments, derivatives and equity instruments at fair value through profit or loss	Debt instruments at amortised cost	Level 1	Level 2	Level 3
	Liabilities	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost			
30 June 2024	R'm	R'm	R'm	R'm	R'm	R'm
Financial assets measured at fair value	63,1	63,1	–	–	63,1	–
Forward exchange contract derivative assets	61,0	61,0	–		61,0	
Fuel swap derivative assets	2,1	2,1	–		2,1	
Financial assets not measured at fair value	2 354,7	–	2 354,7	–	–	–
Contributions to Enterprise and Supplier Development initiatives	20,9	–	20,9			
Trade and other receivables						
– Trade receivables	1 944,0	–	1 944,0			
– Other receivables	36,9	–	36,9			
Cash and cash equivalents	352,9	–	352,9			
Financial liabilities measured at fair value	(29,7)	(29,7)	–	–	(29,7)	–
Forward exchange contract derivative liabilities	(27,9)	(27,9)	–		(27,9)	
Fuel swap derivative liabilities	(1,8)	(1,8)	–		(1,8)	
Financial liabilities not measured at fair value	(3 708,3)	–	(3 708,3)	–	–	–
Current borrowings	(1 229,2)	–	(1 229,2)			
Lease liabilities	(542,9)	–	(542,9)			
Trade and other payables						
– Trade payables	(1 154,6)	–	(1 154,6)			
– Other payables	(781,6)	–	(781,6)			

36. Financial assets and liabilities continued

30 June 2023	Carrying amount			Fair value hierarchy		
	Assets / Liabilities	Debt instruments, derivatives and equity instruments at fair value through profit or loss / Financial liabilities at fair value through profit or loss	Debt instruments at amortised cost / Financial liabilities at amortised cost	Level 1	Level 2	Level 3
	R'm	R'm	R'm	R'm	R'm	R'm
Financial assets measured at fair value	44,4	44,4	–	–	44,4	–
Forward exchange contract derivative assets	44,3	44,3	–		44,3	
Fuel swap derivative assets	0,1	0,1	–		0,1	
Financial assets not measured at fair value	2 304,8	–	2 304,8	–	–	–
Contributions to Enterprise and Supplier Development initiatives	19,9	–	19,9			
Trade and other receivables						
– Trade receivables	1 736,5	–	1 736,5			
– Other receivables	53,5	–	53,5			
Cash and cash equivalents	494,9	–	494,9			
Financial liabilities measured at fair value	(92,3)	(92,3)	–	–	(92,3)	–
Forward exchange contract derivative liabilities	(79,4)	(79,4)	–		(79,4)	
Fuel swap derivative liabilities	(12,9)	(12,9)	–		(12,9)	
Financial liabilities not measured at fair value	(4 171,0)	–	(4 171,0)	–	–	–
Current borrowings	(1 701,0)	–	(1 701,0)			
Lease liabilities	(543,7)	–	(543,7)			
Trade and other payables						
– Trade payables	(1 247,3)	–	(1 247,3)			
– Other payables	(679,0)	–	(679,0)			

Management has assessed that the fair values of cash and cash equivalents, trade and other receivables, trade and other payables and current borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

The different levels as disclosed in the table above have been defined as follows:
Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Measurement of fair value

The following table shows the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Derivative assets and liabilities at fair value: used for hedging	Market comparison technique: The fair value of foreign currency contracts and fuel swaps (used for hedging) are marked-to-market by comparing the contracted forward rate to the present value of the current forward rate of an equivalent contract with the same maturity date.	Not applicable	Not applicable

There were no transfers between Levels 1,2 or 3 of the fair value hierarchy for the years ended 30 June 2024 and 30 June 2023.

37. Post-reporting date events

No material events that meet the requirements of IAS 10 have occurred since the reporting date.

38. Going concern

The Group earned a net profit for the year ended 30 June 2024 of R2 257,7 million (2023: R1 836,9 million) and as of that date, its total assets exceeded its total liabilities by R5 784,9 million (2023: R5 116,9 million).

The trading environment remains particularly challenging given the volatility around currency, significant inflation, rising interest rates, the impact of load-shedding as well as the financial state of South Africa's consumers. The Group remains focused on optimising its return on capital, sustaining margin positions and achieving growth in its underlying businesses. We have seen improvements in most key performance indicators.

As part of preparing the financial results, the Group has performed a detailed going concern assessment. This assessment has relied on the Group's 2025 budget and has considered the profitability and solvency projections over the budget period. The budget for the year ahead was presented in the context of a challenging local economic environment, with the impacts thereof continuing to affect our customers through 2024 and 2025. Even under these conditions, the budget delivered shareholder value creation while maintaining stable capital and solvency positions throughout the cycle. As part of the budget process, a downside scenario was considered that examined a protracted inflation scenario in the midst of continuing infrastructure failures which will fuel inflation and reduce economic activity. The assessment shows that the Group remains sufficiently capitalised with appropriate levels of liquidity and no material uncertainty in relation to the going concern has been identified in the base budget as well as the downside scenario.

Based on the above, no material uncertainties that would require disclosure have been identified in relation to the ability of the Group to remain a going concern for at least the next 12 months. The directors therefore consider it appropriate for the going concern basis to be adopted in preparing the consolidated annual financial statements.

ANNEXURE A – INTERESTS IN OTHER ENTITIES

Interests in other entities as at 30 June 2024

Principal subsidiary companies of AVI Limited

Name of company and nature of business	Class	Issued permanent capital* 2024 R'm	2023 R'm	Group effective percentage holding 2024 %	2023 %
A&D Spitz Proprietary Limited					
– retailer of branded shoes and apparel	Ord	**–**	–	**100**	100
Irvin & Johnson Holding Company Proprietary Limited					
– integrated fishing, processing and marketing of branded value-added fish and seafood products	Ord	**–**	–	**100****	80
Indigo Brands Proprietary Limited					
– manufacturers and distributors of leading body spray, fragrance, cosmetics and body lotion products	Ord	**–**	–	**100**	100
National Brands Limited					
– manufacturers and marketers of branded food and beverage products	Ord	**3,5**	3,5	**100**	100

All companies are incorporated in South Africa.

* *Where Rnil amount is less than R0,1 million.*
** *The previous shareholder arrangement with Main Street 198 (Pty) Ltd ("Main Street"), the minority shareholder at I&J Holding Company (Pty) Ltd ("I&J HoldCo"), matured on 1 July 2023. In terms of the agreements, and on the maturity date, AVI Limited exercised its call option over the 20% shareholding in I&J HoldCo held by Main Street and the preference shares held by AVI Limited in Main Street were redeemed. Refer to Note 33.*

ANNEXURE B – ANALYSIS OF ORDINARY SHAREHOLDERS

Analysis of ordinary shareholders as at 30 June 2024

Shareholder Spread	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
1 – 1 000 shares	10 752	67,68	2 999 149	0,89
1 001 – 10 000 shares	3 889	24,48	12 307 691	3,63
10 001 – 100 000 shares	877	5,52	28 354 176	8,36
100 001 – 1 000 000 shares	307	1,93	91 491 199	26,99
1 000 001 shares and over	62	0,39	203 813 262	60,13
Total	15 887	100,00	338 965 477	100,00
Distribution of Shareholders				
Assurance Companies	94	0,58	6 560 592	1,94
Close Corporations	102	0,63	275 908	0,08
Collective Investment Schemes	526	3,31	141 544 328	41,76
Control Accounts	2	0,01	69	0,00
Custodians	43	0,27	2 947 357	0,87
Foundations & Charitable Funds	144	0,91	1 632 073	0,48
Hedge Funds	19	0,12	2 427 862	0,72
Insurance Companies	14	0,09	1 797 258	0,53
Investment Partnerships	40	0,25	1 230 972	0,36
Managed Funds	109	0,69	23 987 796	7,08
Medical Aid Funds	28	0,18	1 547 987	0,46
Organs of State	14	0,09	75 123 265	22,16
Private Companies	452	2,85	3 313 260	0,98
Public Companies	14	0,09	5 231 178	1,54
Public Entities	5	0,03	44 395	0,01
Retail Shareholders	11 253	70,83	13 969 222	4,12
Retirement Benefit Funds	1 030	6,48	26 816 961	7,91
Scrip Lending	9	0,06	5 319 933	1,57
Share Schemes	1	0,01	4 914 670	1,45
Sovereign Funds	12	0,08	8 812 374	2,60
Stockbrokers & Nominees	36	0,23	1 237 289	0,37
Treasury	1	0,01	3 100 437	0,91
Trusts	1 929	12,14	7 113 848	2,10
Unclaimed Scrip	10	0,06	16 443	0,00
Total	15 887	100,00	338 965 477	100,00
Shareholder Type				
Non-Public Shareholders	6	0,05	9 005 150	2,65
Directors	4	0,03	990 043	0,29
Treasury Shares	1	0,01	3 100 437	0,91
AVI Share Schemes	1	0,01	4 914 670	1,45
Public Shareholders	15 881	99,95	329 960 327	97,35
Total	15 887	100,00	338 965 477	100,00

ANNEXURE B – ANALYSIS OF ORDINARY SHAREHOLDERS

continued

Analysis of ordinary shareholders as at 30 June 2024

Fund managers with a holding greater than 3% of the issued shares	Number of shares	% of issued capital
Public Investment Corporation	65 596 801	19,35
Aikya Investment Management	24 202 084	7,14
Allan Gray	20 569 354	6,07
Schroder Investment Management	15 080 802	4,45
Vanguard Investment Management	12 798 353	3,78
Total	138 247 394	40,79

Beneficial shareholders with a holding greater than 3% of the issued shares		
Government Employees Pension Fund	72 284 124	21,32
Allan Gray	14 742 129	4,35
Vanguard Investment Management	12 798 353	3,78
Total	99 824 606	29,45

	Number of shareholdings
Total number of shareholdings	**15 887**
Total number of shares in issue	**338 965 477**

Share Price performance	
Opening price 03 July 2023	R68,75
Closing price 28 June 2024	R94,59
Closing high for period	R96,50
Closing low for period	R66,54
Number of shares in issue	338 965 477
Volume traded during period	223 817 177
Ratio of volume traded to shares issued (%)	66,03
Rand value traded during the period	R18 129 753 240
Market capitalisation at 28 June 2024	R32 062 744 469

SHAREHOLDERS’ DIARY

Reports and profit statements	
Financial year end	30 June
Interim results announcement	March
Annual results announcement	September
Annual financial statements posted	October
Dividends	
Interim dividend	
– declared	March
– paid	April
Final dividend	
– declared	September
– paid	October
Final dividend No. 104 and Special dividend No. 105	
Dividends declared	Friday, 6 September 2024
Details of dividends announcement on SENS	Monday, 9 September 2024
Finalisation date	Tuesday, 8 October 2024
Last day to trade cum dividend on the JSE Limited (“JSE”)	Tuesday, 15 October 2024
First day trading ex dividend on the JSE	Wednesday, 16 October 2024
Record date	Friday, 18 October 2024
Payment date	Monday, 21 October 2024

NOTICE OF ANNUAL GENERAL MEETING

AVI Limited
(Incorporated in the Republic of South Africa)
(Registration number 1944/017201/06)
Share code: AVI
ISIN: ZAE000049433
("AVI" or "the Company" or "the Group")

NOTICE OF ANNUAL GENERAL MEETING

INCORPORATING A FORM OF PROXY FOR THE USE OF HOLDERS OF CERTIFICATED ORDINARY SHARES AND DEMATERIALISED ORDINARY SHARES WITH "OWN NAME" REGISTRATION ONLY.

Notice is hereby given that the eightieth Annual General Meeting of members of the Company will be held at 2 Harries Road, Illovo, Johannesburg, on Tuesday, 12 November 2024 at 11:00 for the following purposes:

To consider and if deemed fit, to pass with or without modification, ordinary resolutions 1 to 8. In terms of the Companies Act 71 of 2008, as amended ("the Companies Act"), for an ordinary resolution to be adopted, it must be supported by more than 50% of the total number of votes exercised on the resolution by the shareholders present or represented by proxy at this meeting and entitled to vote thereon.

1. "That the annual financial statements for the year ended 30 June 2024, together with the reports of the directors, the independent auditors, and the Audit and Risk Committee, be and are hereby adopted."
2. "That Ernst & Young Inc. be and are hereby appointed as the external auditors of the Company."
3. "That Mr SL Crutchley, who will retire by rotation in accordance with the Company's Memorandum of Incorporation and who, being eligible, offers himself for re-election, be and is hereby re-elected as a director of the Company."*
4. "That Mr JC O'Meara, who will retire by rotation in accordance with the Company's Memorandum of Incorporation and who, being eligible, offers himself for re-election, be and is hereby re-elected as a director of the Company."*
5. "That Mrs VA Davies be and is hereby elected as a non-executive director of the Company."*
6. "That Mr SG Robinson be and is hereby elected as a member and the Chairman of the Audit and Risk Committee."*
7. "That Ms MR Mouyeme be and is hereby elected as a member of the Audit and Risk Committee."*
8. "That Mrs A Muller be and is hereby elected as a member of the Audit and Risk Committee."*

** Brief CVs of the directors appear on page 84 of the Integrated Annual Report.*

To consider and if deemed fit, to pass with or without modification, special resolutions 9 to 22. In terms of the Companies Act for a special resolution to be adopted, it must be supported by at least 75% of the total number of votes exercised on the resolution by shareholders present or represented by proxy at this meeting and entitled to vote thereon.

9. "That with effect from 1 July 2024 the fees payable to the current non-executive directors, excluding the Chairman of the Board and the foreign non-executive director, Mr MJ Watters, be increased from R486 000 per year to R520 020 per year."
10. "That with effect from 1 July 2024 the fees payable to the Chairman of the Board be increased from R1 550 803 per year to R1 659 359 per year."
11. "That with effect from 1 July 2024 the fees payable to the members of the Remuneration, Nomination and Appointments Committee, excluding the Chairman of the committee, be increased from R142 477 per year to R152 450 per year."
12. "That with effect from 1 July 2024 the fees payable to the members of the Audit and Risk Committee, excluding the Chairman of the committee, be increased from R156 598 per year to R180 088 per year."
13. "That with effect from 1 July 2024 the fees payable to the non-executive members of the Social and Ethics Committee, excluding the Chairman of the committee, be increased from R104 957 per year to R112 304 per year."
14. "That with effect from 1 July 2024 the fees payable to the Chairman of the Remuneration, Nomination and Appointments Committee be increased from R310 281 per year to R332 001 per year."
15. "That with effect from 1 July 2024 the fees payable to the Chairman of the Audit and Risk Committee be increased from R335 609 per year to R359 101 per year."
16. "That with effect from 1 July 2024 the fees payable to the Chairman of the Social and Ethics Committee be increased from R156 598 per year to R167 560 per year."
17. "That with effect from 1 July 2024 the fees payable to the Chairman of the Board, should the Chairman be a foreign non-executive director, be increased from £100 000 per year to £107 000 per year."
18. "That with effect from 1 July 2024 the fees payable to the members of the Audit and Risk Committee, should the member be a foreign non-executive director, be increased from £10 500 per year to £11 235 per year."
19. "That with effect from 1 July 2024 the fees payable to the members of the Remuneration, Nominations and Appointments Committee, should the member be a foreign non-executive director, be increased from £7 000 per year to £7 490 per year."
20. "That with effect from 1 July 2024 the fees payable to the members of the Social and Ethics Committee, should the member be a foreign non-executive director, be increased from £6 500 per year to £6 955 per year."

21. "That the Company and/or any of its subsidiaries be and are hereby authorised, by way of a general approval in terms of the Listings Requirements of the JSE Limited ("the JSE"), to acquire ordinary shares issued by the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time decide, provided that:
    - any such acquisition shall only be made in compliance with the provisions of sections 4 and 48 read with section 46 of the Companies Act;
    - any such acquisition of ordinary shares shall be effected on the open market through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades being prohibited);
    - any such acquisition of ordinary shares is authorised by the Company's Memorandum of Incorporation;
    - this general authority shall be valid until the Company's next Annual General Meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
    - the Company and its subsidiaries, may not, in aggregate in any one financial year, acquire in excess of 10% of the Company's issued ordinary share capital as at the date of passing of this special resolution;
    - the Board of directors has passed a resolution authorising the repurchase and confirming that the Company and its subsidiary/ies have passed the solvency and liquidity tests and that, since the tests were performed, there have been no material changes to the financial position of the Group;
    - in determining the price at which ordinary shares issued by the Company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% of the weighted average of the market value at which such ordinary shares are traded on the JSE as determined over the five business days immediately preceding the date of repurchase of such ordinary shares by the Company or any of its subsidiaries;
    - at any point in time, the Company may only appoint one agent to effect any repurchase on the Company's behalf;
    - the Company and/or its subsidiaries may not repurchase any ordinary shares during a prohibited period as defined by the Listings Requirements unless they have in place a repurchase programme where the dates and quantities of ordinary shares to be traded during the relevant period are fixed and which has been submitted to the JSE in writing prior to the commencement of the prohibited period. The Company will instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE; and
    - shares held within the AVI Group (so called treasury shares) will not have their votes at general meetings taken account of for Listings Requirements resolution approval purposes."

The directors consider that such a general authority should be put in place in accordance with the Listings Requirements in order to enable the repurchase of the Company's shares should an opportunity to do so, which is in the best interests of the Company and its shareholders, present itself during the year.

Upon cumulatively repurchasing 3% of the initial number of ordinary shares in issue and for each 3% of ordinary shares repurchased thereafter, the Company will make an announcement to such effect not later than 08:30 on the second business day following the day on which the relevant threshold is reached or exceeded.

22. "That the Company be and is hereby authorised, in terms of section 45 of the Companies Act, to provide direct or indirect financial assistance by way of loan, guarantee, the provision of security or otherwise to any of its present or future subsidiaries and/or any other company or entity that is or becomes related or inter-related to the Company, for any purpose or in connection with any matter, including but not limited to, the subscription for any option, or any securities issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company."

The directors consider that such a general authority should be put in place in order to assist the Company inter alia to make inter-company loans to subsidiaries as well as to grant letters of support and guarantees in appropriate circumstances. The existence of a general authority would avoid the need to refer each instance to shareholders for approval. This general authority would be valid up to and including the 2026 Annual General Meeting of the Company.

To consider and if deemed fit, to pass with or without modification, ordinary resolution 23. In order to be effective for the purposes of the JSE Limited Listings Requirements ("Listings Requirements"), this resolution must be approved by a 75% majority of the votes cast in respect of such resolution by all shareholders present or represented by proxy at the Annual General Meeting. All shares held by AVI incentive and empowerment scheme trusts will not have their votes at the Annual General Meeting taken into account for resolutions proposed in terms of the JSE Listings Requirements.

23. "Resolved as an ordinary resolution that:
    - the specific authorities previously granted to the directors of the Company to allot and issue ordinary shares of R0,05 each in the authorised but unissued share capital of the Company for the purposes of the AVI Limited Deferred Bonus Share Plan be and are hereby rescinded to the extent that they have not, as at the date of the passing of this resolution, been utilised; and
    - 4 819 747 ordinary shares of R0,05 each in the authorised but unissued share capital of the Company, be and are hereby placed under the control of the directors of the Company as a specific authority to them to allot and issue all or any of such shares to participants under the AVI Limited Deferred Bonus Share Plan in accordance with the rules of the AVI Limited Deferred Bonus Share Plan."

The AVI Limited Deferred Bonus Share Plan was approved by shareholders in November 2016 to address the imbalance identified in the long-term reward framework and align with leading local and global best practice. The AVI Limited Deferred Bonus Share Plan is used as a vital tool to incentivise, motivate and retain eligible executive and senior management to deliver the Group's business strategy over the medium to long-term and encourage share ownership amongst executive and senior employees. The reason for proposing this resolution is to meet the anticipated number of shares which will be required for the purpose of the AVI Limited Deferred Bonus Share Plan based on allocations made to participants to date.

The total authority for all share schemes at 5% of the Company's total issued share capital is set out in the following table:

Scheme Name	Authority	% of Total Issued Share Capital*
AVI Deferred Bonus Share Plan	4 819 747	1,4
Revised AVI Executive Incentive Share Scheme	5 213 369	1,6
AVI Out-Performance Scheme	6 915 158	2,0
Total		5,0

** As at 30 June 2024.*

To consider the non-binding ordinary resolution 24.

24. "That, by way of a non-binding advisory ordinary resolution, the Company's remuneration policy as set out in the Remuneration Report contained in the Integrated Annual Report of which this Notice forms part, be and is hereby endorsed."

The JSE Listings Requirements and King IV, dealing with boards and directors, require companies to table their remuneration policy every year to shareholders by way of a non-binding advisory vote at the Annual General Meeting. This vote enables shareholders to express their views on the remuneration policy adopted.

To consider the non-binding ordinary resolution 25.

25. "That, by way of a non-binding advisory ordinary resolution, the Company's implementation report as set out in the Remuneration Report contained in the Integrated Annual Report of which this Notice forms part, be and is hereby endorsed."

The JSE Listings Requirements and King IV, dealing with boards and directors, require companies to table their implementation report every year to shareholders by way of a non-binding advisory vote at the Annual General Meeting. This vote enables shareholders to express their views on the implementation report.

To consider any other business.

26. "To transact such other business as may be transacted at an Annual General Meeting."

Directors' statement

The directors, having considered the effects of special resolution 21 and 22 above, consider that for a period of 12 (twelve) months after the date of this notice:
- the Company and the Group will be able, in the ordinary course of business, to pay their debts;

- the assets of the Company and the Group, fairly valued in accordance with generally accepted accounting practice, will exceed the liabilities of the Company and the Group; and
- the Company and the Group's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes.

General information

The following additional information, some of which may appear elsewhere in the Integrated Annual Report of which this notice forms part, is provided in terms of the Listings Requirements of the JSE for purposes of the general authority to repurchase shares (resolution 21):

- major beneficial shareholders – pages 175 and 187 to 188; and
- share capital of the Company – page 157.

Directors' responsibility statement

The directors, whose names appear on page 84 of the Integrated Annual Report, collectively and individually accept full responsibility for the accuracy of the information pertaining to resolution 22 above and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this notice contains all information required by law and the Listings Requirements of the JSE.

Material changes

Other than the facts and developments reported on in the Integrated Annual Report, there have been no material changes in the affairs or financial position, other than in the ordinary course of business, of the Company and its subsidiaries since the date of signature of the annual report and up to the date of this notice.

Record date

The directors have determined in accordance with sections 59(1)(a) and (b) of the Companies Act that:

- the record date for the purposes of receiving notice of the Annual General Meeting shall be the close of business on Friday, 4 October 2024; and
- the record date for the purposes of the Annual General Meeting (being the date on which a shareholder must be registered in the Company's share register to participate in and vote at the Annual General Meeting) shall be the close of business on Friday, 1 November 2024. Accordingly, the last day to trade to participate in and vote at the AGM is Tuesday, 29 October 2024.

Identification

In terms of Section 63(1) of the Companies Act, before any person may attend or participate in an Annual General Meeting, that person must present reasonably satisfactory identification and the person presiding at the Annual General Meeting must be reasonably satisfied that the right of the person to participate in and vote at the Annual General Meeting, either as a shareholder, or as a proxy for a shareholder, has been reasonably verified.

Voting and proxies

On a show of hands, every shareholder who is present in person or by proxy at the Annual General Meeting shall have one vote, and on a poll, every shareholder who is present in person or by proxy at the Annual General Meeting or which (being a company or body corporate) is represented, shall have one vote for every ordinary share in the Company of which such shareholder is the holder.

Dematerialised shareholders (who are not "own name" dematerialised shareholders) who wish to attend the Annual General Meeting or to vote by way of proxy, must contact their Central Securities Depository Participant ("CSDP") or broker who will furnish them with the necessary authority to attend the Annual General Meeting or they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and their CSDP or broker.

Shareholders entitled to attend and vote at the Annual General Meeting may appoint one or more persons as their proxy to attend, speak and vote in their stead. A proxy need not be a shareholder of the Company.

A form of proxy is attached for the convenience of certificated shareholders and "own name" dematerialised shareholders only, who are unable to attend the Annual General Meeting, but who wish to be represented thereat. For administrative purposes, duly completed forms of proxy should be received by the transfer secretaries of the Company, Computershare Investor Services 2004 (Pty) Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag x9000, Saxonwold, 2132) by no later than 11:00 on Monday, 11 November 2024. Any forms of proxy not lodged by this time may be lodged at the Annual General Meeting prior to its commencement.

By order of the Board

SUREYA SCHEEPERS
Company Secretary
2 Harries Road, Illovo

9 October 2024

FORM OF PROXY

AVI Limited
(Incorporated in the Republic of South Africa)
(Registration number 1944/017201/06)
JSE code: AVI • ISIN: ZAE000049433
("AVI" or "the Company" or "the Group")

For use only by shareholders holding certificated shares, nominee companies of a Central Securities Depository Participant ("CSDP"), brokers' nominee companies and shareholders who have dematerialised their shares and who have elected own-name registration at the eightieth Annual General Meeting of the Company, to be held at 2 Harries Road, Illovo, Johannesburg, 2196 at 11:00 on Tuesday, 12 November 2024 ("Annual General Meeting").

Shareholders who have already dematerialised their shares through a CSDP or broker must not complete this form of proxy but must provide their CSDP or broker with their voting instructions.

Holders of dematerialised shares, other than those with "own name" registration, who wish to attend the Annual General Meeting must inform their CSDP or broker of such intention and request their CSDP or broker to issue them with the necessary authorisation to attend the meeting.

I/We

of (address)

being the holder/s of ordinary shares in the Company, do hereby appoint:

1. or failing him/her,

2. or failing him/her,

3. the Chairman of the Annual General Meeting,
as my/our proxy to act for me/us at the Annual General Meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof and to vote or abstain from voting on such resolutions in respect of the ordinary shares in the issued capital of the Company registered in my/our name/s in accordance with the following instructions (see note 2):

Resolution number		Number of votes (one vote per share)		
		In favour of	Against	Abstain
1.	Adoption of the financial statements for the year ended 30 June 2024			
2.	Appointment of Ernst & Young Inc. as the external auditors of the Company			
3.	Re-election of Mr SL Crutchley as a director			
4.	Re-election of Mr JC O'Meara as a director			
5.	Election of Mrs VA Davies as a director			
6.	Appointment of Mr SG Robinson as a member and Chairman of the Audit and Risk Committee			
7.	Appointment of Ms MR Mouyeme as a member of the Audit and Risk Committee			
8.	Appointment of Mrs A Muller as a member of the Audit and Risk Committee			
9.	Special resolution (increase in fees payable to non-executive directors, excluding the Chairman of the Board)			
10.	Special resolution (increase in fees payable to the Chairman of the Board)			
11.	Special resolution (increase in fees payable to members of the Remuneration, Nomination and Appointments Committee)			
12.	Special resolution (increase in fees payable to members of the Audit and Risk Committee)			
13.	Special resolution (increase in fees payable to non-executive members of the Social and Ethics Committee)			
14.	Special resolution (increase in fees payable to Chairman of the Remuneration, Nomination and Appointments Committee)			
15.	Special resolution (increase in fees payable to Chairman of the Audit and Risk Committee)			
16.	Special resolution (increase in fees payable to Chairman of the Social and Ethics Committee)			
17.	Special resolution (increase in fees payable to the Chairman of the Board, should the Chairman be a foreign non-executive director)			
18.	Special resolution (increase in fees payable to the members of the Audit and Risk Committee, should the member be a foreign non-executive director)			
19.	Special resolution (increase in fees payable to the members of the Remuneration, Nominations and Appointments Committee, should the member be a foreign non-executive director)			
20.	Special resolution (increase in fees payable to the members of the Social and Ethics Committee, should the member be a foreign non-executive director)			
21.	Special resolution (general authority to buy-back shares)			
22.	Special resolution (financial assistance to Group entities)			
23.	Placing 4 819 747 ordinary shares, in the authorised but unissued share capital of the Company, under the control of the directors to allot and issue such shares in terms of the AVI Limited Deferred Bonus Share Plan			
24.	Ordinary resolution to endorse the remuneration policy (non-binding advisory vote)			
25.	Ordinary resolution to endorse the implementation report (non-binding advisory vote)			

Insert an "X" in the relevant space above according to how you wish your votes to be cast, however, if you wish to cast your votes in respect of less than all of the ordinary shares that you own in the Company, insert the number of ordinary shares held in respect of which you desire to vote.

Signed at on 2024

Signature

Assisted by me (where applicable)

Each shareholder is entitled to appoint one or more proxies (none of whom need be a member of the Company) to attend, speak and, on a poll, vote in place of that shareholder at the Annual General Meeting.

Please read the notes on the reverse side hereof.

NOTES TO THE FORM OF PROXY

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting "the Chairman of the Annual General Meeting", but any such deletion must be initialled by the shareholder concerned. The person whose name stands first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of ordinary shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise the Chairman of the Annual General Meeting, if he is the proxy, to vote in favour of and any other proxy to vote or to abstain from voting in respect of the resolutions to be considered at the Annual General Meeting as he/she deems fit, in either case, in respect of all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to exercise all the votes exercisable by the shareholder or by the proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by the proxy.
3. For administrative purposes, duly completed forms of proxy should be received at the office of the transfer secretaries, Computershare Investor Services 2004 (Pty) Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or posted to Private Bag x9000, Saxonwold, 2132 to be received by no later than 11:00 on Monday, 11 November 2024. Any forms of proxy not lodged by this time may be lodged at the Annual General Meeting prior to its commencement.
4. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof. The appointment of a proxy or proxies is furthermore revocable, in which case a shareholder may revoke the proxy appointment by cancelling it in writing or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer secretaries or waived by the Chairman of the Annual General Meeting.
6. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of the Company.
8. The Chairman of the Annual General Meeting may accept a form of proxy, which is completed and/or received other than in accordance with these notes if he is satisfied as to the manner in which the shareholder wishes to vote.
9. If the instrument appointing a proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company's Memorandum of Incorporation to be delivered by the Company to the shareholder must be delivered by the Company to the shareholder, or to the proxy or proxies, if the shareholder has directed the Company to do so in writing and paid any reasonable fee charged by the Company for doing so.
10. The appointment of a proxy or proxies remains valid only until the end of the Annual General Meeting subject to any revocation thereof.

NOTES

NOTES

ADMINISTRATION AND PRINCIPAL SUBSIDIARIES

Administration

Company registration
AVI Limited ("AVI")
Reg no: 1944/017201/06
Share code: AVI
ISIN: ZAE000049433

Company Secretary
Sureya Scheepers

Business address and registered office
2 Harries Road
Illovo
Johannesburg 2196
South Africa

Postal address
PO Box 1897
Saxonwold 2132
South Africa

Telephone: +27 (0)11 502 1300
Telefax: +27 (0)11 502 1301
E-mail: info@avi.co.za
Website: www.avi.co.za

Auditors
Ernst & Young Inc.

Sponsor
The Standard Bank of South Africa Limited

Commercial bankers
First Rand Bank Limited
Standard Bank Limited

Transfer secretaries
Computershare Investor Services Proprietary Limited

Business address
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg 2196

Postal address
Private bag X9000
Saxonwold 2132
South Africa
Telephone: +27 (0)11 370 5000
Telefax: +27 (0)11 370 5271

Principal subsidiaries

Food & Beverage Brands
National Brands Limited
Reg no: 1948/029389/06
(incorporating Entyce Beverages and Snackworks)

30 Sloane Street
Bryanston 2021

PO Box 5159
Rivonia 2128

Managing director
Michael Koursaris
Telephone: +27 (0)11 707 7200
Telefax: +27 (0)11 707 7799

I&J
Irvin & Johnson Holding Company Proprietary Limited
Reg no: 2004/013127/07

1 Davidson Street
Woodstock
Cape Town 7925

PO Box 1628
Cape Town 8000

Managing director
Roger Coppin
Telephone: +27 (0)21 440 7800
Telefax: +27 (0)21 440 7270

Fashion Brands
Personal Care
Indigo Brands Proprietary Limited
Reg no: 2003/009934/07

16 – 20 Evans Avenue
Epping 1 7460

PO Box 3460
Cape Town 8000

Managing director
Gaynor Poretti
Telephone: +27 (0)21 507 8500
Telefax: +27 (0)21 507 8501

Footwear & Apparel
A&D Spitz Proprietary Limited
Reg no: 1999/025520/07

30 Sloane Street
Bryanston 2021

PO Box 782916
Sandton 2145

Acting Managing director
Simon Crutchley
Telephone: +27 (0)11 707 7300
Telefax: +27 (0)11 707 7763

Directors
Executive
Simon Crutchley[1]
(Chief Executive Officer)

Justin O'Meara[1]
(Chief Financial Officer)

Michael Koursaris
(Business Development Director)

Independent non-executive
Current
Michael Watters (Chairman)[2,3,4,5]
Alexandra Muller[1,6]
Steven Robinson[6,7]
Maserame Mouyeme[6,8]
Valerie Davies[5,9]

Outgoing
Gavin Tipper[10]
James Hersov[11]
Mike Bosman[12]
Busisiwe Silwanyana[13]
Abe Thebyane[14]

[1] *Member of the Social and Ethics Committee.*

[2] *Appointed to the Board on 1 June 2023.*

[3] *British.*

[4] *Appointed as Chairman of the Board on 1 July 2023.*

[5] *Member of the Remuneration, Nomination and Appointments Committee.*

[6] *Member of the Audit and Risk Committee.*

[7] *Appointed to the Board and the Audit and Risk Committee on 1 March 2023.*

[8] *Appointed to the Board and the Audit and Risk Committee on 1 August 2023.*

[9] *Appointed to the Board and the Remuneration, Nomination and Appointments Committee on 1 June 2024.*

[10] *Resigned from the Board (and as Chairman) and the Remuneration, Nomination and Appointments Committee on 30 June 2023.*

[11] *Resigned from the Board on 3 July 2023.*

[12] *Resigned from the Board and the Audit and Risk Committee on 30 January 2023.*

[13] *Resigned from the Board and the Audit and Risk Committee on 27 June 2023.*

[14] *Resigned from the Board and the Remuneration, Nomination and Appointments Committee on 30 April 2024.*


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EARL GREY
TEA BLEND WITH
BERGAMOT
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