

AVI

2025 INTEGRATED ANNUAL REPORT



GROWING GREAT BRANDS



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ABOUT THIS REPORT

AVI's Integrated Annual Report covers the economic, environmental and social activities of the Group for the period 1 July 2024 to 30 June 2025 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 2025, 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 International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") 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 category;
- 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 106 branded retail outlets under the Spitz, Kurt Geiger, Green Cross, GX&Co and Gant brands.

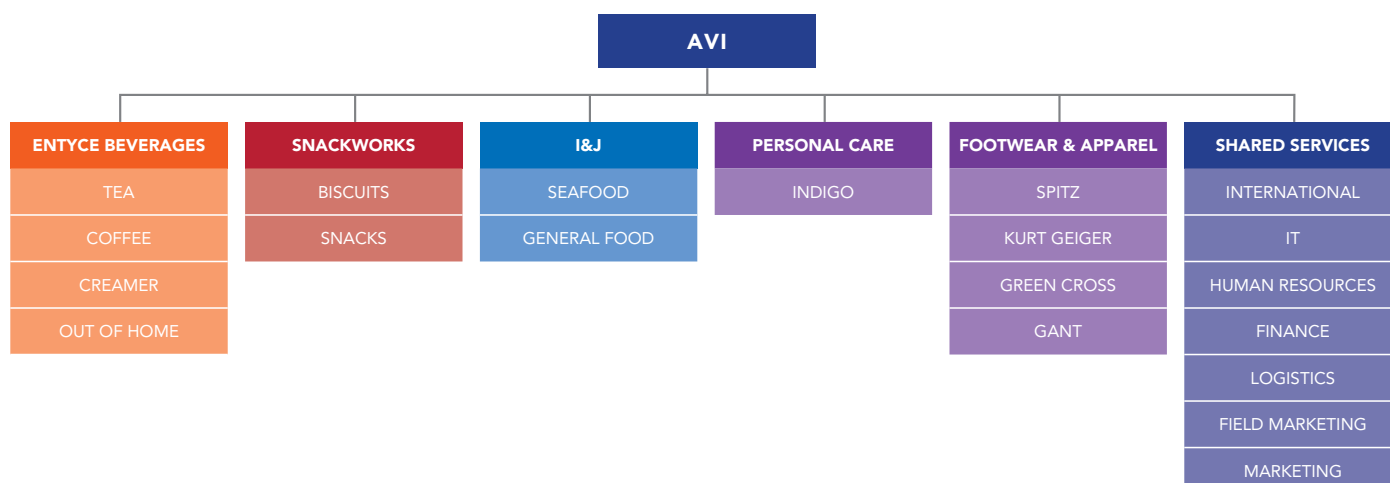
This privileged position carries with it an obligation to develop and manage each brand to its fullest potential. We have structured our business to best suit this end. We have four business units taking care of beverages, including out-of-home solutions, sweet and savoury snacks, frozen foods, and fashion 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 R16,02 billion in this last financial year, AVI's brands are a household name in South Africa and growing every day.



OPERATING STRUCTURE

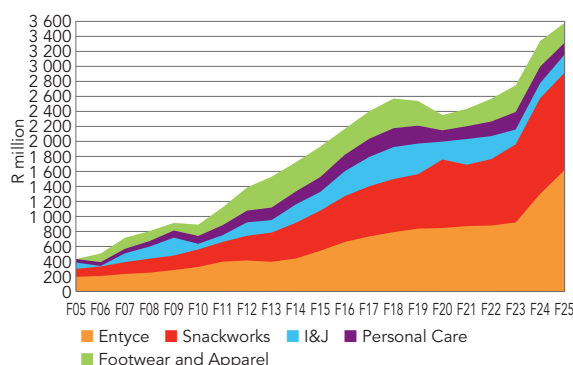


OUR BUSINESS HIGHLIGHTS

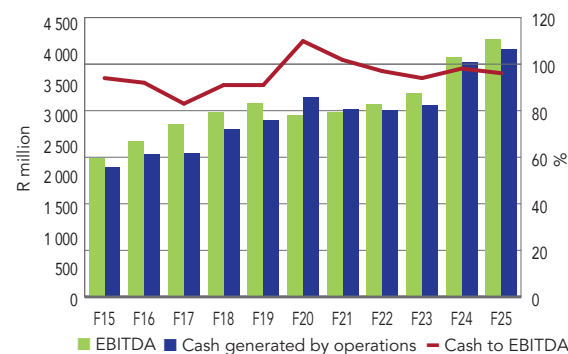
Key features

- Sound performance off a strong base in a weak demand environment
- Group revenue increased by 1,0%
- Group gross profit margin improved by 2,4%
- Fashion retail portfolio impacted by supply chain issues in first semester and closure of Green Cross retail
- I&J fishing performance improved but partly offset by poor abalone demand and constrained selling prices
- Strong innovation delivered incremental volume growth in key categories
- R42,0 million invested in Group restructuring initiatives to deliver value in F26
- Group operating profit for the year increased by 7,8% off 21,7% prior year growth
- Group operating margin improved by 6,7%
- Headline earnings per share up 6,1% to 729,1 cents
- Sustained robust cash generation
- Capital expenditure of R601,0 million
- Final dividend of 406 cents per share and total normal dividend up 6,1% to 626 cents per share
- Return on capital employed of 34,9% for the 12 months to June 2025
- Dividend yield of 6,7% on 30 June 2025 closing share price

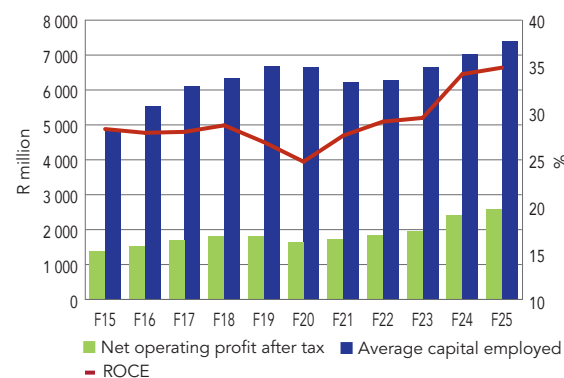
Operating profit history



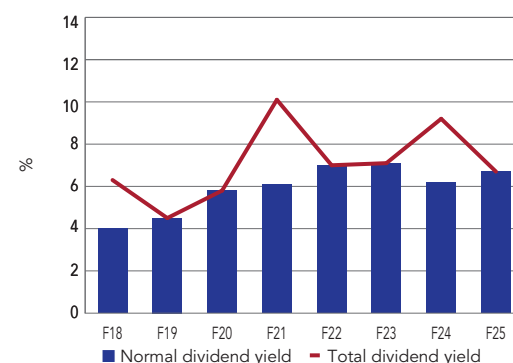
Historical cash conversion



Return on capital employed



Historical dividend yield (year end)



AVI	2025 R'm	2024 R'm	2023 R'm	2022 R'm	2021 R'm	Change F25 vs F24 %
REVENUE	16 021,5	15 862,3	14 919,6	13 845,3	13 269,2	1,0
OPERATING PROFIT	3 561,9	3 304,6	2 714,8	2 540,1	2 409,3	7,8
OPERATING MARGIN (%)	22,2	20,8	18,2	18,3	18,2	6,7
CAPITAL EXPENDITURE	601,0	476,5	482,2	240,8	315,7	26,1

ENTYCE BEVERAGES	2025 R'm	2024 R'm	2023 R'm	2022 R'm	2021 R'm	Change F25 vs F24 %
REVENUE	5 298,4	5 025,4	4 251,6	3 981,6	3 777,1	5,4
OPERATING PROFIT	1 615,9	1 300,1	920,2	880,6	872,8	24,3
OPERATING MARGIN (%)	30,5	25,9	21,6	22,1	23,1	17,8
CAPITAL EXPENDITURE	113,5	162,9	109,3	50,8	44,2	(30,3)

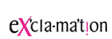


Snackworks That's Good Times!	2025 R'm	2024 R'm	2023 R'm	2022 R'm	2021 R'm	Change F25 vs F24 %
REVENUE	5 611,8	5 597,9	5 261,2	4 702,4	4 267,8	0,2
OPERATING PROFIT	1 294,4	1 270,9	1 038,4	881,4	814,6	1,8
OPERATING MARGIN (%)	23,1	22,7	19,7	18,7	19,1	1,8
CAPITAL EXPENDITURE	159,0	167,6	135,3	39,2	95,1	(5,1)



IJ	2025 R'm	2024 R'm	2023 R'm	2022 R'm	2021 R'm	Change F25 vs F24 %
REVENUE	2 567,8	2 459,2	2 486,6	2 473,8	2 605,4	4,4
OPERATING PROFIT	240,8	199,7	196,8	306,2	341,6	20,6
OPERATING MARGIN (%)	9,4	8,1	7,9	12,4	13,1	16,0
CAPITAL EXPENDITURE	246,0	83,7	139,2	87,8	133,6	193,9

FASHION BRANDS	2025 R'm	2024 R'm	2023 R'm	2022 R'm	2021 R'm	Change F25 vs F24 %
REVENUE	2 543,5	2 779,8	2 920,2	2 687,5	2 618,9	(8,5)
OPERATING PROFIT	420,4	560,8	587,9	495,9	400,8	(25,0)
OPERATING MARGIN (%)	16,5	20,2	20,1	18,5	15,3	(18,3)
CAPITAL EXPENDITURE	81,2	61,1	91,8	56,8	36,2	32,8



OBJECTIVES AND 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 is 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.





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CHAIRMAN AND CEO'S STATEMENT 2025

Overview

This has been a year defined by resilience and disciplined execution within an environment that continues to be challenging and volatile. Despite the significant economic and political market constraints, the company was able to produce a pleasing operating performance, which was even more notable, given the relatively high earnings growth level recorded in the previous financial year. The complexities and uncertainties at play both locally and globally, as outlined in last year's report remain undiminished. An additional variable was added this year with President Trump imposing trade tariffs that upended long term international trading alliances and patterns.

Domestically, the positive sentiment following the formation of the government of national unity (GNU), has not led to significantly higher economic growth. Notwithstanding lower inflation and reducing interest rates, 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 activity.

On the positive side, global events that last year caused supply chain disruptions and lifted soft commodity and energy prices have moderated somewhat. As a consequence of this and through disciplined hedging and purchasing strategies we have largely been able to constrain raw material input cost pressure.

At AVI we have successfully operated through numerous historical economic and political cycles. We pride ourselves in our ability to innovate and adapt pricing strategies that help defend market share whilst maintaining consumer loyalty. We continue to anticipate trends ahead of time that allow an efficient and sustainable delivery of high-quality products. Investments in manufacturing efficiency, logistic capabilities and supply chain management once again delivered cost savings and improved performance. The challenge however is to continue to meet the needs of an ever more constrained consumer, without eroding our profitability.

Financial review

AVI's results for the year ended 30 June 2025 reflect a sound performance in a challenging environment with demand constrained in many of our categories. Notwithstanding the prior year's annual operating profit growth of 21,7%, which included an exceptional 27,8% growth in the second semester, the Group delivered growth in profits across both semesters. This was underpinned by proactive and tactile selling price management, consistent foreign currency and commodity hedging and fastidious cost control with restructuring initiatives implemented in the year expected to deliver benefits into next year.

Group revenue increased by 1,0% from R15,86 billion to R16,02 billion due to selling price increases taken to ameliorate input cost pressures partially offset by lower sales volumes in all our categories. Entyce delivered the highest level of revenue growth supported by selling price increases, taken to recover input cost pressures

and protect margins, partially offset by a reduction in sales volumes off a strong prior year base. Snackworks revenue ended marginally higher than last year with the first semester decline recovered through the second half. Both Biscuits and Snacks benefitted from higher selling prices with volume declines slowing through the second semester, with some benefit as innovation launches gained traction. I&J grew revenue with an improved fishing performance, supported by a weaker realised exchange rate and improved selling prices, partially offset by lower abalone sales with reduced demand in key markets which constrained selling prices. Indigo's personal care revenue declined 9,6% with aggressive competition in the deodorant body spray category and constrained consumer demand pressuring selling prices and sales volumes. Indigo's roll-on offering performed soundly with consumers trading down into this more affordable category. Spitz's footwear and apparel revenue declined 7,9% on last year with the challenging first semester further impacted by a difficult second half. Demand was subdued and impacted by widespread discounting by footwear and apparel retailers with supply chain disruptions in the first semester further impacting the critical December trading month. The second half performance was impacted by the closure of the Green Cross retail business which required increased discounting at lower margins.

Consolidated gross profit increased by 3,4%, growing ahead of revenue, with the consolidated gross profit margin of 42,7% supported by improved gross profit margins in our beverage categories with gross margins across the remainder of the business largely sustained at prior year levels. Despite increased investment in marketing activity to support our brands and innovation, and once-off costs of R42,0 million associated with restructuring initiatives, selling and administrative expenses were well contained ending marginally lower than last year. Operating profit increased by 7,8% from R3,30 billion to R3,56 billion and the operating profit margin improved from 20,8% to 22,2%.

Net finance costs for the year were higher than last year due to increased average borrowing levels following the payment of the special dividend in October 2024 partially offset by lower interest rates. Headline earnings grew 6,4% and headline earnings per share increased by 6,1% from 687,1 to 729,1 cents per share, with a marginal increase in the weighted average number of shares in issue, due to the vesting of employee share schemes.

In line with I&J's objective to simplify and focus on core operations, an agreement was entered into to dispose of the squid fishing operation undertaken by the Umsobomvu joint venture, in which I&J held a 50% interest. Early in the year, the transaction conditions were completed resulting in a capital profit after taxation of R12,6 million.

Cash generated by operations increased from R3,78 billion last year to R3,99 billion due primarily to the improved operating profit. Working capital was effectively managed and increased by R230,8 million, reflecting stronger sales in the last few months and increased inventory levels at year end due to early

CHAIRMAN AND CEO'S STATEMENT 2025 continued

receipts in support of service levels. Capital expenditure amounted to R601,0 million and included the acquisition of a second-hand freezer fishing vessel. Other material cash flows during the year were ordinary dividends paid of R2,04 billion, a special dividend of R938,1 million, taxation paid of R892,4 million and interest paid of R236,8 million. Net debt at the end of June 2025 was R2,26 billion compared to R1,42 billion last year with debt levels remaining within our target range.

Dividend

In line with the Group's normal dividend payout ratio the Board has declared a final ordinary dividend of 406 cents per share, resulting in a full year ordinary dividend of 626 cents, which is 6,1% higher than last year, and in line with the growth in headline earnings.

Capital expenditure

Capital expenditure for the year amounted to R601,0 million. Significant items of expenditure included R170,0 million for the acquisition of a second-hand freezer vessel for I&J which provides much needed capacity, R39,0 million to upgrade and improve our biscuit lines, including supporting innovation, R38,0 million for water backup and treatment, R49,0 million on vessel upgrades, R21,0 million investment in our roll-on production capability, R28,0 million on opening, relocating and refurbishing Spitz stores and R27,0 million on the replacement of distribution vehicles.

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, product quality and supporting innovation, 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 R425,0 million. 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 F26 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

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

The trading environment is expected to remain difficult with the impact of low growth and high unemployment exacerbated by the challenging geopolitical landscape, including the implementation of tariffs by the USA. The ongoing failure of critical municipal infrastructure that supports our main manufacturing facilities continues to be a challenge and risk. The Group has invested significantly to address frequent water and power interruptions and ongoing utilities quality deterioration, albeit at higher operating cost, and further investments will be made in the coming year. Costs continue to be effectively managed with restructuring initiatives implemented in F25 expected to deliver benefits next year through headcount savings and the non-repeat of once-off restructuring costs. We continue to react to market circumstances aiming to find an optimal balance of price, sales volumes and profit margins for each of our brands. Our brands remain healthy and appealing to consumers and we will continue to invest in capabilities that underpin manufacturing efficiencies, product quality and innovation. The reducing interest rate environment and abating inflation provide a platform to support consumer spending, however, it seems likely that rates of growth will remain subdued until there is a meaningful improvement in the economy, especially if further cost driven price increases are necessary.

Apart from coffee, the commodity input cost environment is softening in some areas with lower levels of inflation expected across key categories in the next financial year. The Group continues with a disciplined hedging practice which has provided protection against the full extent of rising input costs. A material portion of the first semester's import requirements have been covered at levels that support profitability assuming reasonable sales volumes. Notwithstanding the planned benefits from cost saving initiatives, the constrained environment and concomitant competitor environment remain a risk to margins in some categories.

I&J's prospects are materially dependent on fishing performance, fuel prices and exchange rates. The purchase of the freezer vessel ("Umlungisi"), which commenced fishing in February 2025, will provide additional capacity and incremental benefit in the new financial year. Demand in our export markets remains sound with any improvement in catch rates, which remain close to historical lows, together with the additional catching capacity, supportive of profit improvement. Notwithstanding the recent strengthening of the Rand exchange rate, currency hedges have been secured at levels that support profit

growth if fishing improves. Demand for abalone through the year has been negatively impacted by increased competition and reduced demand in key Asian markets which has constrained selling prices and negatively impacted biological asset fair value adjustments. Should demand and selling prices not improve, the abalone performance may remain below historical levels in the short term.

The fashion retail business was significantly impacted by supply chain disruptions in the critical first semester, and discounting to facilitate the closure of the Green Cross business.

Whilst the retail environment is expected to remain intensely competitive, we are not anticipating a repeat of the prior year's supply chain disruptions in the core Spitz retail brand. This, and the non-repeat of the Green Cross closure costs support an improved performance in the new financial year provided that reasonable demand in the critical festive season trading period is experienced.

Despite the complex operating environment, constrained consumer demand and the risk of infrastructure failure, the business is well-positioned to benefit significantly from any economic recovery. The Board is confident that the Group continues to adapt its operating model to best position AVI for future growth while also mitigating its pervasive macro risks both domestically and internationally.

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

A GOURMET DELIGHT IN every BITE



OPERATIONAL REVIEWS

	Segmental revenue			Segmental operating profit		
	2025 R'm	2024 R'm	% change	2025 R'm	2024 R'm	% change
Food & Beverage brands	13 478,0	13 082,5	3,0	3 151,1	2 770,7	13,7
Entyce Beverages	5 298,4	5 025,4	5,4	1 615,9	1 300,1	24,3
Snackworks	5 611,8	5 597,9	0,2	1 294,4	1 270,9	1,8
I&J	2 567,8	2 459,2	4,4	240,8	199,7	20,6
Fashion brands	2 543,5	2 779,8	(8,5)	420,4	560,8	(25,0)
Personal Care	924,3	1 022,5	(9,6)	156,7	220,0	(28,8)
Footwear & Apparel	1 619,2	1 757,3	(7,9)	263,7	340,8	(22,6)
Corporate				(9,6)	(26,9)	
Group	16 021,5	15 862,3	1,0	3 561,9	3 304,6	7,8



OPERATIONAL REVIEWS continued



Entyce revenue of R5,3 billion was 5,4% higher than last year due to selling price increases partially offset by volume declines across all categories. Selling prices were increased across all categories to ameliorate the impact of commodity cost increases and operating cost inflation and protect margin. Tea, Coffee & Creamer volumes declined off a strong prior year base, which delivered volume growth in all categories, impacted by increased competitor discounting, constrained demand in a stressed consumer environment and the non-repeat of market share gains from competitor supply issues in Creamer last year. Sales volumes in the Ciro out-of-home business also ended lower with increased competition from lower priced options with some customer shifting due to the challenging environment and high inflation required to recoup significant increases in coffee prices.

Gross profit margins improved due to higher selling prices, benefits from factory restructuring initiatives undertaken last year, factory productivity efficiencies including the annualisation of benefits from investment in our creamer production capability last year and operational leverage which offset the impact of operating and commodity cost inflation. Selling and administrative costs were well managed, increasing in line with inflation with marketing investment increasing double digit with targeted masterbrand activity in support of our core brands. Distribution costs were lower as a result of reduced volumes and fuel prices with benefits from restructuring initiatives implemented in the current and previous year across our sales and administrative functions partially offset by once-off restructuring costs.

Notwithstanding the strong prior year operating profit growth of 41,3%, operating profit improved from R1,30 billion to R1,62 billion with growth underpinned by effective margin management across all categories. The operating profit margin increased to 30,5%.

Tea

Tea revenue of R2,1 billion was 7,6% higher than last year due to the benefit of selling price increases partially offset by volume declines of 5,6% with reductions in both the Black tea and Rooibos segments off a strong prior year base. Declines in both segments were mainly experienced in premium brands within key retail channels due to gains made by lower cost private label offerings and reduced promotional activity in the year. Volume declines moderated in the second semester, especially in the Rooibos segment, supported by targeted brand campaigns behind Five Roses and Freshpak, as well as good customer support in informal channels from independent wholesale and distributors. Consumers desire for affordable alternatives was well served by our Trinco value brand which saw lower volume declines compared to our premium brands, with volume growth achieved in the informal channels.

Gross profit margin increased over the prior year underpinned by strong factory cost management and efficiencies, channel mix benefits from increased sales into informal channels and selling price increases to recover cost pressures from commodity and operating cost inflation.

Operating profit grew by 22,1% and the operating profit margin improving in line with the gross profit margin, benefitting from strong cost management and operational leverage.

Coffee

Coffee revenue increased by 9,3% compared to last year due to selling price increases required to ameliorate the impact of significant increases in underlying Robusta and Arabica commodity prices and to protect margins. Consumer affordability and high selling prices, induced by multi-year commodity price peaks, constrained demand with sales volumes declining across most of the coffee segments, with the exception of the affordable brewed segment. Aggressive competitor activity in the mixed instant and premium segments contributed to volume declines, including the launch of extra value pack competitive offerings in the mixed instant segment and increased private label offerings in premium coffee formats. The affordable brewed range growth was underpinned by targeted regional campaigns to increase distribution in informal channels as well as increased support from religious buying groups.





Gross profit margins increased, benefitting from a significant improvement in factory efficiencies and restructuring initiatives, a favourable product mix supported by growth in the affordable brewed range and price increases taken to ameliorate high coffee commodity cost increases.

Operating profit growth was pleasing with improvements delivered across the mixed instant, premium and affordable brewed categories underpinned by effective gross profit margin management and benefits from operational leverage.

Creamer

Creamer revenue declined 0,7% off a strong prior year base which included the benefit of market share gains due to competitor supply disruptions which did not repeat. Selling prices increases were taken in response to rising commodity costs and were further supported by reduced levels of promotional activity but this was not sufficient to offset volume declines encountered, mainly in key retail channels.

Gross profit margins improved in the year supported by factory efficiencies, the annualisation of benefits from the investment in our production capability in the first semester last year, factory restructuring initiatives and operational leverage. Selling and administration costs were well managed and ended slightly higher than last year due to increased marketing support, once-off restructuring costs and inflationary increases partly offset by lower distribution costs as a result of lower volumes and fuel prices. The improved gross profit margin and well contained selling and administration costs supported an operating profit growth of 20,4% on last year.

Ciro

The Ciro business grew revenue by 4,1%, with increased selling prices (taken to address high coffee-based input cost increases) partially offset by lower sales volumes. Volumes were lower due to increased competition in the forecourt and hospitality channels with some customers shifting to lower priced options as price sensitive consumers trade down to more affordable alternatives. The outsourced catering channel also came under some pressure as corporates cut back on office spend.

Gross profit margin increased modestly compared to last year, benefitting from improved customer service and maintenance profitability, improved channel mix and price increases taken to ameliorate significant input cost inflation, particularly from coffee commodity prices. Selling and administrative costs were well controlled, increasing below inflation despite incurring once-off restructuring costs which are expected to benefit the business in the next fiscal. Overall operating profit grew 11,0% with the operating profit margin well managed, remaining ahead of historical levels.

Capital expenditure

Capital expenditure for the year was R113,5 million. Spend was primarily focused on essential replacement items and investment into basic infrastructure, utility back-up and water and energy efficiency projects to build redundancy and reduce reliance on unreliable and deteriorating municipal services at both the Durban Tea and Isando Coffee/Creamer production facilities. The remaining spend related to the essential replacement of distribution vehicles as well as beverage dispensing equipment for the Ciro out-of-home coffee business.

ENTYCE BEVERAGES	2025 R'm	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	Change F25 vs F24 %
REVENUE	5 298,4	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	5,4
OPERATING PROFIT	1 615,9	1 300,1	920,2	880,6	872,8	846,6	838,3	792,6	735,1	661,7	24,3
OPERATING MARGIN (%)	30,5	25,9	21,6	22,1	23,1	22,0	21,9	20,7	19,6	19,3	17,8
CAPITAL EXPENDITURE	113,5	162,9	109,3	50,8	44,2	92,6	106,7	42,7	127,2	130,7	(30,3)



Freshpak



TRINCO

Koffiehuys





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FAVOURITE



Snackworks
That's Good Times!

Snackworks revenue of R5,61 billion was in line with last year, supported by higher selling prices required to ameliorate input cost inflation and protect margins. This was largely offset by a decline in sales volumes across both the biscuit and snacks categories despite the continued support from product innovation launched in the year. The gross profit margin declined modestly compared to last year due primarily to a reduced snacks margin with profitability in our biscuit category well protected in a challenging environment. Overall gross margins were well supported by efficiencies achieved in our production facilities, the benefit of which was largely offset by the deleveraging effect of lower volumes.

Selling and administrative costs were tightly controlled resulting in an overall decline compared to last year. A reduction in distribution costs, due to reduced volumes and fuel prices, was further supported by benefits from restructuring initiatives implemented in the current and previous year across our sales and administration functions, partially offset by once-off restructuring costs. This was partially offset by increased marketing investment in support of our core brands and innovation launches. Operating profit increased by 1,8% off a strong prior year base which delivered growth of 22,4%. The operating profit margin improved from 22,7% last year to 23,1%.

Snackworks That's Good Times!	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	Change F25 vs F24
	R'm	R'm	R'm	R'm	R'm	R'm	R'm	R'm	R'm	R'm	%
REVENUE	5 611,8	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	0,2
OPERATING PROFIT	1 294,4	1 270,9	1 038,4	881,4	814,6	910,2	723,1	705,0	666,4	609,1	1,8
OPERATING MARGIN (%)	23,1	22,7	19,7	18,7	19,1	20,9	18,6	17,8	16,8	16,7	1,8
CAPITAL EXPENDITURE	159,0	167,6	135,3	39,2	95,1	80,6	145,5	161,8	175,8	239,2	(5,1)



Biscuits

Revenue of R4,27 billion ended in line with last year as a result of selling price increases taken in the previous financial year and in March 2025 to ameliorate input cost pressures and protect margins. This was offset by a decline in sales volumes, particularly in the key retail channel despite good traction from product innovations including the new Bakers Cream biscuit range, the Blue Label Marie and Nuttikrust rusk line extensions as well as a new small format snacking offering for Romany Creams and Royal Creams. Sales into informal wholesale and distributor channels achieved healthy growth and were buoyed by innovation including Topper Dynamo, a new more affordable "on-the-go" value offering, which was launched into this channel in the last quarter.

Gross profit margins were effectively managed and remained in line with last year supported by improved factory efficiencies, including waste reduction and improved productivity which delivered labour cost savings, partially offset by the deleveraging impact of lower volumes. The effective management of selling prices was sufficient to recover commodity and operating cost inflation. Selling and administrative costs decreased compared to last year, with benefits from restructuring savings and operating cost efficiencies offsetting a double digit increase in advertising spend with investment focused on a new Bakers Masterbrand campaign as well as activation investment to support the launch of innovation.

Operating profit for the year increased by 2,5%, with operating profit margin improving slightly on last year.

Snacks

Snacks revenue increased 1,6% on last year due mainly to selling price increases taken across the range with lower sales volumes impacted by aggressive competitor activity. Volume declines were evident in both the potato chip and maize extruded snack

segments. Potato chip volumes were impacted by deep competitor promotional pricing as well as service level challenges caused by poor potato availability which constrained Flanagan's, including the launch of new flavour extensions in the last quarter. Maize extruded snack volumes declined as lower priced alternatives gained distribution in the market with constrained consumers trading down. This was partially mitigated by increased traction from the new, more accessibly priced 90g Cheese Curls range which has continued to gain momentum in value focused retail channels. The launch of the new Diddle Daddle and Jumping Jack popcorn flavour extensions in the last quarter also helped to increase sales momentum.

Gross profit margin declined in the year with the impact of higher commodity costs, increased factory expenditure, an unfavourable product mix and the deleveraging impact of lower sales volumes not fully recovered by selling price increases in a competitive and constrained environment. Selling and administrative costs were well contained and declined in comparison to last year, reflecting the impact of lower distribution costs as a result of lower volumes and fuel prices as well as benefits from restructuring savings.

Overall operating profit declined by 2,1%, following a strong profit growth in the prior year, and operating profit margin ended lower.

Capital expenditure

Capital expenditure for the year of R159,0 million was primarily focused on essential replacement items, production line upgrades and investment into factory infrastructure. Significant capital spend has been invested into basic infrastructure through utility and security upgrades to reduce reliance on unreliable and deteriorating municipal services, including water security and treatment facilities in Isando and Rosslyn factories, power quality control systems and major security upgrades at the Westmead biscuits factory.



OPERATIONAL REVIEWS continued



AVI INTERNATIONAL

The majority of AVI International's markets experienced considerable consumer pressure due to affordability constraints, intense competition, increased availability of less expensive alternatives, and reduced levels of discretionary income, all of which exerted pressure on demand. This dynamic was particularly prevalent in Mozambique which was also negatively affected by political instability and civil unrest resulting in periodically closed borders and disruptions to supply chain and retail operations. Restricted access to currency in certain distributor markets necessitated meticulous oversight of credit risk, occasionally resulting in unfulfilled orders to facilitate the transformation of profits into cash, especially in Mozambique. In line with our domestic business, selling price increases were implemented to protect margins with sales volumes ending lower in most categories as affordability became more challenging for consumers. Notwithstanding volume pressures AVI International delivered operating profit growth supported by robust performances across key subsidiary markets which offset heavy declines in Mozambique and several smaller export markets.

Revenue finished largely in line with the prior year with the benefit of higher selling prices largely offsetting lower sales volumes. Namibia delivered a robust performance in the year under review as economic momentum and strong operational execution resulted in volume and revenue growth and an operating margin expansion. This performance was well supported by increased sales into Zimbabwe and Mauritius but was offset by significant headwinds faced in Mozambique due to post-election

disruptions to operations and foreign exchange liquidity constraints. Zambia did not experience a repeat of the prior year cross-border demand for Rooibos and Biscuits and also had to navigate a significant depreciation in the Zambian currency early in the year, and the continued encroachment of cheaper alternatives to its core product range as well as aggressive competitor pricing. Shipping and logistical challenges into Mauritius eased during the year, allowing for increased sales, while East Africa and Malawi faced contrasting shipping and logistical challenges coupled with limited foreign exchange liquidity access, hampering sales into these regions. Revenue in Botswana, AVI International's largest market, was largely unchanged from the prior year as macro-economic pressures affected consumer spending, and a planned Pula devaluation added further price pressures on already stressed consumers.

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 persistent Kwacha depreciation. Selling and administrative costs were well managed with increases in line with inflation despite higher distribution costs from Namibia and increased investment in in-country marketing activations. This supported the improved gross profit and resulted in operating profit growth of 7,4% with operating profit margins also increasing.

From a category perspective, profit growth was realised across most key categories, with the exception of Personal Care and Snacks where operating profits declined. Despite aggressive competitor activity, Creamer again delivered a solid result which was well supported by robust growth in our subsidiary markets, and through increased orders from Zimbabwe. Tea was a credible performer with growth achieved in Namibia, Zimbabwe, Zambia and distributor markets, partially off-set by declines in Mozambique and Botswana. Coffee delivered a sound performance with growth in our subsidiaries and Mauritius supported by both the affordable and premium coffee categories. Biscuits benefitted from growth in our subsidiary markets and Mauritius but was heavily impacted by declines in Mozambique and East Africa. The Personal Care portfolio faced significant headwinds in Zambia, Mozambique and Malawi with aggressive competition, the proliferation of more affordable private label offerings and constrained discretionary spend pressurising sales volumes and turnover, while Namibia achieved healthy growth. Snacks was negatively impacted by stock constraints in our subsidiary markets which affected the availability of potato-based products, whilst Namibia and Botswana also faced headwinds from competition. Exports markets were also impacted by shipping logistics disruptions. Zambia was the only market to register Snacks revenue growth, albeit off a small base.

AVI International

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	Change F25 vs F24 %
	R'm	R'm	R'm	R'm	R'm	R'm	R'm	R'm	R'm	R'm	
REVENUE	1 272,8	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	(0,3)
OPERATING PROFIT	335,9	312,9	300,9	273,0	271,1	252,9	212,9	188,6	196,9	193,7	7,4
OPERATING MARGIN (%)	26,4	24,5	23,6	22,4	22,9	22,3	20,4	19,0	19,4	20,1	7,8

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





TOPPER DYNAMO ENERGY



Thatha Amandla Akho,
Grab Your Energy.

BEST BAKED BY BAKERS.

OPERATIONAL REVIEWS continued



Revenue of R2,57 billion increased 4,4% on last year due to improved fish selling prices and the impact of a favourable realised currency on export sales, partly offset by reduced fish sale volumes and a 6,7% reduction in Abalone sales with reduced demand and oversupply into key markets constraining selling prices. Fish revenue growth was stronger across our export markets with improved hake volumes further supported by benefits from selling price increases, a weaker realised exchange rate and additional capacity from the new freezer vessel. Lower levels of growth were achieved in domestic markets with volumes pressurised by aggressive competition and constrained demand.

The fishing performance was positively impacted by improved catch rates on the wet fleet, lower fuel prices and additional capacity from the new freezer vessel ("Umlungisi") which commenced fishing in February 2025. This was partially offset by lower catch rates across the freezer fleet. The fishing cost per kilogram decreased compared to the prior year due to improved overall catch rates and the reduction in fuel costs but was partially offset by lower vessel utilisation due to the timing of planned maintenance, and higher repair and maintenance costs. Processing costs per kilogram increased marginally with inflationary increases on raw material and packaging costs partly offset by the benefit of volume leverage due to higher production volumes at the Woodstock facility as a result of increased wet fleet catch rates. Costs at the value-added production facility were effectively managed, increasing at levels lower than inflation, but this was not sufficient to offset the deleveraging impact of lower production volume. Production volumes were negatively impacted by increased competition and constrained demand in domestic markets with incremental volumes from innovation, Air Fri'kn Amazing range launched in October 2024, not sufficient to arrest the decline.

The benefit of selling price increases, the favourable foreign currency realisation on export sales, lower fuel prices and marginally better overall catch rates were partially offset by higher repair and maintenance costs for the fleet and supported an improvement in the fishing operation gross profit margin, albeit off a low prior year base and still below desired levels.

The Danger Point abalone farm's gross profit declined significantly compared to the prior year due to the impact of reduced demand and competition, with many competitors discounting aggressively across key markets, constraining selling prices. This was exacerbated by an unfavourable abalone fair value adjustment of R38,1 million. The unfavourable fair value adjustment

largely reflects the impact of a stronger year-end closing exchange rate compared to June 2024 as well as the impact of lower selling prices. Operating costs were well managed and included the benefit of lower diesel costs with reduced levels of load-shedding and power outages experienced in the year.

Selling and administrative costs were well contained and ended lower than last year as a result of benefits from restructuring initiatives implemented last year, including the non-recurrence of restructuring costs of R19,8 million. In addition, the prior year included a non-cash cost of R15,2 million recognised in respect of the new BBBEE shareholder structure which was implemented in July 2023 which was not repeated. Insurance proceeds of R4,3 million were recognised in the first semester in respect of lost profits associated with an industry-wide recall of faulty cans supplied to our abalone production facility last year.

Operating profit increased from R199,7 million to R240,8 million, and the operating profit margin increased from 8,1% to 9,4%. The overall result reflects the improvement in fishing profits and a challenging year in abalone which delivered an operating loss compared to last year's profit.

Joint venture

In addition to the operating profit reflected above, I&J's joint venture incurred an after tax equity accounted loss of R0,3 million, compared to a loss of R3,2 million in F24.

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 condition and completion actions were fulfilled during July 2024 and consequently the sale transaction was 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 recognised in the F25 results.

Capital expenditure

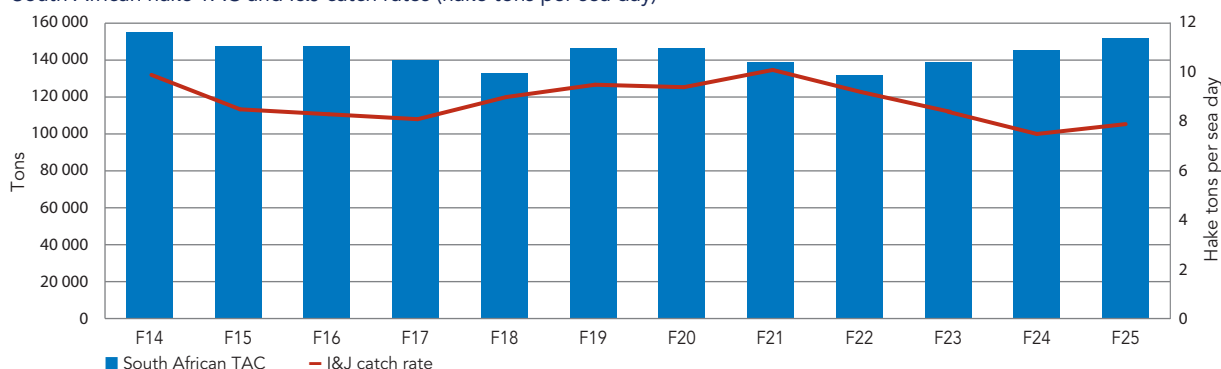
Capital expenditure of R246,0 million included R170,1 million on a second-hand freezer vessel, R48,9 million on vessel maintenance and upgrades, R1,5 million towards the ongoing back-up power generators and electrical infrastructure upgrade project at the Value Added Processing plant, R18,3 million on replacement of aged processing and refrigeration equipment at the Woodstock and Value Added Processing plants and R4,9 million at the Danger Point abalone farm, most notably related to inventory management systems and security infrastructure upgrades.





	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	Change F25 vs F24 %
	R'm	R'm	R'm	R'm	R'm	R'm	R'm	R'm	R'm	R'm	
REVENUE	2 567,8	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	4,4
OPERATING PROFIT	240,8	199,7	196,8	306,2	341,6	237,8	407,9	425,0	389,1	331,0	20,6
OPERATING MARGIN (%)	9,4	8,1	7,9	12,4	13,1	10,2	16,3	17,1	16,5	15,2	16,0
CAPITAL EXPENDITURE	246,0	83,7	139,2	87,8	133,6	137,3	103,1	116,9	128,7	345,7	193,9

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



Hake quota (tons)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
South Africa	151 739	145 698	138 772	132 163	139 119	146 430	146 430	133 120	140 216	147 500
I&J	38 920	37 365	35 850	34 143	37 543	39 517	39 517	36 103	37 901	41 245
% of TAC	25,6	25,6	25,8	25,8	27,0	27,0	27,0	27,1	27,1	28,0

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 currently remain at historical lows, as well as an increase in catching capacity. The second-hand freezer vessel acquired in the year commenced fishing during February 2025 and completed four voyages during the second semester, having been fully integrated into the I&J fleet. This vessel provides much needed capacity and is expected to support the fishing performance and reduce the extent to which the current quota is not caught.

I&J Minority Shareholding

Following a successful partnership between AVI, I&J and Main Street 198 (Pty) Ltd, the previous Broad-based Black Economic Empowerment ("BBBEE") partners, the arrangement matured on 1 July 2023 and was terminated in accordance with the agreements. In line with the Group's commitment to transformation in South Africa a new BBBEE transaction was implemented on the same date. 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 4,1% to 151 739 tons for the 2025 calendar year, from 145 698 tons in 2024. 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 38 920 tons in 2025.

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) increased from 7,5 in F24 to 7,9 in F25, with higher catch rates on the wet fleet partly offset by lower catch rates achieved on the freezer fleet, due to increased variability in catch performance.



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ENGLISH BLAZER

OUD



NEW SIGNATURE FRAGRANCE

FASHION BRANDS

Personal Care

Indigo's revenue of R924,3 million was 9,6% lower than last year, with aggressive discounting by competitors and the constrained consumer environment limiting demand and reducing our ability to lift selling prices in some categories. Overall, market share positions in key personal care categories were largely maintained in line with last year with category declines reflective of the strain on consumers and discretionary incomes. Revenue declines were most evident in the deodorant body spray and fragrance categories with performance in the roll-on category in line with last year. Consumers have continued to down trade through the year, negatively impacting performance in the deodorant body spray category, with competitors increasing the levels of promotional activity to support sales volumes. Our beauty categories, predominately fragrance, were pressurised by competition from lower priced products, including the increased prevalence of private label offerings which are being prioritised by many retailers. Roll-on remains one of the better performing categories providing a strong value proposition to cash-strapped consumers, and has performed ahead of aerosol where the total market has declined as customers transition to the more affordable roll-on format. Our new roll-on line was commissioned late in the second half and is expected to provide the capacity and efficiency needed to improve our position in this category.

The business remains focused on delivering meaningful product and market innovation in response to the ever-changing consumer and increasingly competitive landscape.

The gross profit margin declined on last year as a result of an unfavourable sales mix, the deleveraging impact of lower volumes and cost increases which were not fully recovered in a competitive and constrained market.

Selling and administrative costs were well managed and ended lower with savings from restructuring initiatives implemented last year, the impact of reduced sales volumes on variable costs and lower marketing costs, with spend focused on improving engagement with consumers at point of purchase. In line with the continued focus on optimising our cost base and improving efficiencies, further restructuring initiatives were implemented towards the end of the year resulting in once-off costs with benefits expected to be realised in the next financial year.

Operating profit declined from R220,0 million to R156,7 million, with a decrease in the operating profit margin from 21,5% to 17,0%.



Capital expenditure

Current year capital expenditure of R40,9 million includes R21,0 million related to the upgrade of our roll-on line and was commissioned late in the second semester. This investment aligns with our long-term growth aspirations within the roll-on category and is expected to deliver improved production line efficiencies and capacity going forward. The balance of spend relates to normal replacement expenditure, including permanent merchandising units and site infrastructure upgrades.

Personal Care

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	Change F25 vs F24 %
	R'm	R'm	R'm	R'm	R'm	R'm	R'm	R'm	R'm	R'm	
REVENUE	924,3	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	(9,6)
OPERATING PROFIT	156,7	220,0	233,1	193,4	170,4	150,2	237,2	250,3	241,5	218,0	(28,8)
OPERATING MARGIN (%)	17,0	21,5	19,1	16,4	14,8	12,6	21,3	21,0	20,2	19,9	(20,9)
CAPITAL EXPENDITURE	40,9	15,9	16,8	9,6	12,1	25,0	44,5	36,9	55,6	54,6	157,2

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LENTHÉRIC
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exclamation

OPERATIONAL REVIEWS continued

Footwear and Apparel

Revenue decreased by 7,9% on last year to R1,62 billion due to a reduction in footwear and clothing volumes partly offset by higher selling prices required to ameliorate the impact of rising input costs and protect margins. Demand through the year was subdued with the impact of widespread discounting by apparel and footwear retailers exacerbated by supplier and global supply chain disruptions in the first semester which impacted the critical December trading period. The second half performance was impacted by the decision to close the Green Cross retail business and discontinue the majority of wholesale lines. This required increased discounting, at lower margins, to clear stock. Clothing brands revenue was lower but well supported by the introduction of the new lower priced Signate clothing range and Kurt Geiger fragrances which were launched in November 2024.

The gross profit margin was slightly lower with higher input costs, including air freight costs incurred in the first semester to address supplier delays on core Carvela ranges, increased stock provisions on discontinued Green Cross lines and increased levels of discounting at lower margins in Green Cross. Selling and administrative costs were well contained ending lower than last year despite once-off costs associated with the closure of Green Cross stores and increased marketing investment. The investment behind our brands across various platforms and through numerous initiatives resonates with consumers with ongoing focus continuing to be placed on supporting our brand positions. In addition, focus remains on improving the efficiency of our retail footprint and central structures to optimise profitability and reduce variable costs associated with a lower trading volume environment with further restructuring initiatives undertaken in the latter part of the year expected to provide benefits into F26.

Operating profit declined from R340,8 million to R263,7 million, with the operating profit margin decreasing from 19,4% to 16,3%. The decision to close the Green Cross retail business resulted in the closure of 10 stores in the year with the remaining 3 stores expected to close during F26. The Epping value store was re-opened in April 2025 to support the clearance of discontinued Green Cross stock with the viability thereof continuing to be evaluated as the stock position reduces. Excluding the impact of the Green Cross closure operating profit would have ended 12,1% lower with an operating profit margin of 18,9%.

The environment remains constrained and resulted in the closure of 2 underperforming stores, in addition to the 10 Green Cross stores, over the year. The ongoing review

of our store base is expected to support trading densities across the Spitz and Kurt Geiger brands. During the year 1 Spitz store was opened.

Capital expenditure

Capital expenditure of R40,3 million included R35,3 million for the refurbishment, relocation and opening of new stores, including the launch of an online Gant store.



Footwear and Apparel

	2025 R'm	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	Change F25 vs F24 %
REVENUE	1 619,2	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	(7,9)
OPERATING PROFIT	263,7	340,8	354,8	302,5	230,4	202,2	328,5	394,7	366,0	345,0	(22,6)
OPERATING MARGIN (%)	16,3	19,4	20,9	20,0	15,7	13,7	18,1	20,1	19,1	18,6	(16,0)
CAPITAL EXPENDITURE	40,3	45,2	75,0	47,2	24,2	28,9	55,5	41,5	49,1	99,3	(10,8)

SPITZ CARVELA KURT GEIGER LACOSTE HTOSONI GREEN CROSS GX&C2 GANT



S P I T Z	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
NUMBER OF STORES	69	69	69	69	72	74	74	75	77	76
TURNOVER (R'm)	1 286	1 352	1 262	1 102	1 079	1 065	1 251	1 329	1 287	1 271
AVERAGE (m ²)	18 037	17 827	18 367	18 681	19 034	19 489	19 484	19 841	19 776	19 388
TRADING DENSITY (R/m ²)	71 322	75 838	68 717	59 013	56 711	54 650	64 198	66 960	65 071	65 550
CLOSING (m ²)	18 076	18 048	18 358	18 394	18 956	19 384	19 363	19 460	20 037	19 726

KURT GEIGER	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
NUMBER OF STORES	28	29	31	31	34	34	33	33	33	34
TURNOVER (R'm)	150	166	188	187	174	175	210	217	211	196
AVERAGE (m ²)	3 481	3 760	3 934	4 222	4 219	4 259	4 186	4 194	4 135	4 187
TRADING DENSITY (R/m ²)	43 003	44 220	47 735	44 295	41 321	41 116	50 237	51 640	50 920	46 883
CLOSING (m ²)	3 466	3 760	3 934	3 934	4 287	4 289	4 191	4 194	4 115	4 266

GREEN CROSS	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
NUMBER OF STORES	4	13	15	18	22	37	41	45	42	38
TURNOVER (R'm)	61	93	103	103	104	141	225	276	275	238
AVERAGE (m ²)	1 375	1 817	2 141	2 494	3 450	4 825	5 340	5 436	4 925	4 210
TRADING DENSITY (R/m ²)	44 313	51 271	48 325	41 196	30 000	29 202	42 110	50 804	55 778	56 484
CLOSING (m ²)	649	1 568	1 999	2 326	2 745	4 471	4 936	5 536	5 218	4 697

GANT	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
NUMBER OF STORES	5	5	5	5	5	5	5	6	6	6
TURNOVER (R'm)	87	90	85	68	52	45	63	52	45	47

FINANCIAL REVIEW

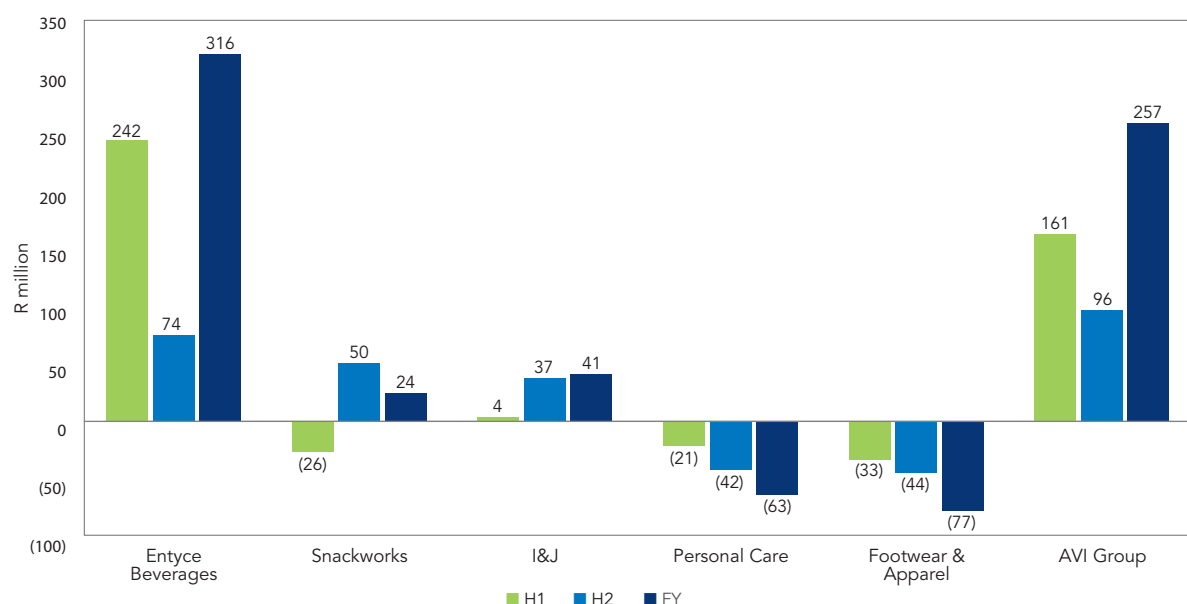
AVI's results for the year ended 30 June 2025 reflect a sound performance in a challenging environment with demand constrained in many of our categories. Notwithstanding the prior year's annual operating profit growth of 21,7%, which included an exceptional 27,8% growth in the second semester, the Group delivered growth in profits across both semesters. This was underpinned by proactive and tactile selling price management, consistent foreign currency and commodity hedging and fastidious cost control with restructuring initiatives implemented in the year expected to deliver benefits into next year.

Group revenue increased by 1,0% from R15,86 billion to R16,02 billion due to selling price increases taken to ameliorate input cost pressures partially offset by lower sales volumes in all our categories. Entyce delivered the highest level of revenue growth supported by selling price increases, taken to recover input cost pressures and protect margins, partially offset by a reduction in sales volumes off a strong prior year base. Snackworks revenue ended marginally higher than last year with the first semester decline recovered through the second half. Both Biscuits and Snacks benefitted from higher selling prices with volume declines slowing through the second semester, with some benefit as innovation launches gained traction. I&J grew revenue with an improved fishing performance, supported by a weaker realised exchange rate and improved selling prices, partially offset by lower abalone sales with reduced demand in key markets which constrained selling prices. Indigo's

personal care revenue declined 9,6% with aggressive competition in the deodorant body spray category and constrained consumer demand pressuring selling prices and sales volumes. Indigo's roll-on offering performed soundly with consumers trading down into this more affordable category. Spitz's footwear and apparel revenue declined 7,9% on last year with the challenging first semester further impacted by a difficult second half. Demand was subdued and impacted by widespread discounting by footwear and apparel retailers with supply chain disruptions in the first semester further impacting the critical December trading month. The second half performance was impacted by the closure of the Green Cross retail business which required increased discounting at lower margins.

Consolidated gross profit increased by 3,4%, growing ahead of revenue, with the consolidated gross profit margin of 42,7% supported by improved gross profit margins in our beverage categories with gross margins across the remainder of the business largely sustained at prior year levels. Despite increased investment in marketing activity to support our brands and innovation, and once-off costs of R42,0 million associated with restructuring initiatives, selling and administrative expenses were well contained ending marginally lower than last year. Operating profit increased by 7,8% from R3,30 billion to R3,56 billion and the operating profit margin improved from 20,8% to 22,2%.

Change in operating profit F24 versus F25 – H1, H2 and full year (R'mil)



Net finance costs for the year were higher than last year due to increased average borrowing levels following the payment of the special dividend in October 2024 partially offset by lower interest rates. Headline earnings grew 6,4% and headline earnings per share increased by 6,1% from 687,1 to 729,1 cents per share, with a marginal increase in the weighted average number of shares in issue, due to the vesting of employee share schemes.

In line with I&J's objective to simplify and focus on core operations, an agreement was entered into to dispose of the squid fishing operation undertaken by the Umsobomvu joint venture, in which I&J held a 50% interest. Early in the year, the transaction conditions were completed resulting in a capital profit after taxation of R12,6 million.

Cash generated by operations increased from R3,78 billion last year to R3,99 billion due primarily to the improved operating profit. Working capital was

effectively managed and increased by R230,8 million, reflecting stronger sales in the last few months and increased inventory levels at year end due to early receipts in support of service levels. Capital expenditure amounted to R601,0 million and included the acquisition of a second-hand freezer fishing vessel. Other material cash flows during the year were ordinary dividends paid of R2,04 billion, a special dividend of R938,1 million, taxation paid of R892,4 million and interest paid of R236,8 million. Net debt at the end of June 2025 was R2,26 billion compared to R1,42 billion last year with debt levels remaining within our target range.

Dividend

In line with the Group's normal dividend payout ratio the Board has declared a final ordinary dividend of 406 cents per share, resulting in a full year ordinary dividend of 626 cents, which is 6,1% higher than last year, and in line with the growth in headline earnings.

Segmental review

Year ended 30 June	Segmental revenue			Segmental operating profit		
	2025 R'm	2024 R'm	% change	2025 R'm	2024 R'm	% change
Food & Beverage brands	13 478,0	13 082,5	3,0	3 151,1	2 770,7	13,7
Entyce Beverages	5 298,4	5 025,4	5,4	1 615,9	1 300,1	24,3
Snackworks	5 611,8	5 597,9	0,2	1 294,4	1 270,9	1,8
I&J	2 567,8	2 459,2	4,4	240,8	199,7	20,6
Fashion brands	2 543,5	2 779,8	(8,5)	420,4	560,8	(25,0)
Personal Care	924,3	1 022,5	(9,6)	156,7	220,0	(28,8)
Footwear & Apparel	1 619,2	1 757,3	(7,9)	263,7	340,8	(22,6)
Corporate				(9,6)	(26,9)	
Group	16 021,5	15 862,3	1,0	3 561,9	3 304,6	7,8

FINANCIAL REVIEW continued

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 178 to 180, duly adjusted to take account of the shares to be issued at fair value calculated in accordance with IAS 33 – *Earnings per Share*. 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

	2025	2024	2023	2022	2021
Financial ratios (%)					
– Operating margin	22,2	20,8	18,2	18,3	18,2
– Return on capital employed	34,9	34,3	29,5	29,1	27,6
– Net working capital as a percentage of revenue	25,6	24,2	23,7	23,5	23,1
– EBITDA (R'm)	4 149,2	3 852,4	3 282,1	3 094,1	2 968,4
Liquidity					
– Free cash flow (R'm)	2 278,6	2 223,6	1 723,2	2 011,4	1 983,2
– Free cash flow per ordinary share (cents)	687,0	672,2	521,2	608,9	601,2
– Net debt/capital employed (%)	29,7	19,7	25,5	25,9	28,1
– Interest cover ratio	18,3	20,9	17,2	27,9	29,9
Employees at 30 June	9 108	8 937	9 220	9 315	9 351
Revenue – continuing operations (R'm)	16 021,5	15 862,3	14 919,6	13 845,3	13 269,2
Revenue per employee (R'000)	1 759,0	1 774,9	1 618,2	1 486,3	1 419,0

Share statistics – five-year summary

	2025	2024	2023	2022	2021
Number of ordinary shares in issue ('000)	340 146	338 965	338 192	336 002	336 504
Weighted average number of ordinary shares in issue ('000)	331 671	330 792	330 596	330 322	329 851
Share performance (cents per share)					
Earnings	732,6	682,5	555,6	530,1	498,9
Diluted earnings	721,2	675,5	553,8	528,8	497,4
Headline earnings	729,1	687,1	553,6	530,6	499,9
Diluted headline earnings	717,8	680,0	551,8	529,2	498,4
Dividends declared (excluding special dividends)	626,0	590,0	482,0	462,0	435,0
Dividend cover (times)	1,15	1,15	1,15	1,15	1,15
Market price per share (cents)					
– at year end	9 413	9 459	6 809	6 572	7 105
– highest	11 409	9 650	7 839	8 914	8 064
– lowest	8 341	6 654	6 200	6 227	6 539
– volume weighted average	9 913	8 100	7 077	7 429	7 337
Total market capitalisation at closing prices (R'm)					
	32 018,0	32 062,7	23 027,5	22 082,1	23 908,6
Price earnings ratio ¹	12,9	13,8	12,3	12,4	14,2
Value of shares traded (R'm)	24 325,8	18 129,8	16 804,0	18 540,2	22 924,4
Value traded as a percentage of average capitalisation (%)	72,1	66,0	70,2	74,3	92,9
Number of shares traded (millions)	245,4	223,8	237,4	249,6	312,5
Liquidity – number traded as percentage of shares in issue at year-end (%)	72,1	66,0	70,2	74,3	92,9
Average weekly Rand value traded (R'm)	477,0	355,5	329,5	363,5	449,5

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

Value added statement

	2025		2024	
	R'm	%	R'm	%
VALUE ADDED				
Revenue	16 021,5		15 862,3	
Cost of materials and services	7 983,4		8 155,6	
Value added by operations	8 038,1	100	7 706,7	100
Capital items (gross)	11,1	–	(20,7)	–
	8 049,2	100	7 686,0	100
Investment and other income	9,8	–	11,6	–
	8 059,0	100	7 697,6	100
VALUE DISTRIBUTED AND RETAINED				
Employees				
Salaries, wages and other benefits	3,479,5	43	3,431,7	45
Providers of capital				
Dividends paid to Group shareholders	2,975,4	37	1,709,8	22
Interest paid	236,8	3	199,3	3
Lease expenses	15,3	–	17,0	–
Government				
Taxation	1 321,8	16	1 254,5	16
Reinvested in the Group				
Depreciation	575,9	7	537,4	7
Profit for the year	2 429,7	30	2 257,7	29
Dividends paid	(2 975,4)	(37)	(1 709,8)	(22)
	8 059,0	100	7 697,6	100

FINANCIAL REVIEW continued

Group at a glance

	2025 R'm	2024 R'm	2023 R'm	2022 R'm	2021 R'm	Change F25 vs F24 %
AVI						
Revenue	16 021,5	15 862,3	14 919,6	13 845,3	13 269,2	1,0
Operating profit	3 561,9	3 304,6	2 714,8	2 540,1	2 409,3	7,8
Operating margin (%)	22,2	20,8	18,2	18,3	18,2	6,7
Capital expenditure	601,0	476,5	482,2	240,8	315,7	26,1
Food and beverage						
Revenue	13 478,0	13 082,5	11 999,4	11 157,8	10 650,3	3,0
Operating profit	3 151,1	2 770,7	2 155,4	2 068,2	2 029,0	13,7
Operating margin (%)	23,4	21,2	18,0	18,5	19,1	10,4
Capital expenditure	518,5	414,1	383,8	177,8	272,9	25,2
Entyce Beverages						
Revenue	5 298,4	5 025,4	4 251,6	3 981,6	3 777,1	5,4
Operating profit	1 615,9	1 300,1	920,2	880,6	872,8	24,3
Operating margin (%)	30,5	25,9	21,6	22,1	23,1	17,8
Capital expenditure	113,5	162,9	109,3	50,8	44,2	(30,3)
Snackworks						
Revenue	5 611,8	5 597,9	5 261,2	4 702,4	4 267,8	0,2
Operating profit	1 294,4	1 270,9	1 038,4	881,4	814,6	1,8
Operating margin (%)	23,1	22,7	19,7	18,7	19,1	1,8
Capital expenditure	159,0	167,6	135,3	39,2	95,1	(5,1)
I&J						
Revenue	2 567,8	2 459,2	2 486,6	2 473,8	2 605,4	4,4
Operating profit	240,8	199,7	196,8	306,2	341,6	20,6
Operating margin (%)	9,4	8,1	7,9	12,4	13,1	16,0
Capital expenditure	246,0	83,7	139,2	87,8	133,6	193,9
Fashion brands						
Revenue	2 543,5	2 779,8	2 920,2	2 687,5	2 618,9	(8,5)
Operating profit	420,4	560,8	587,9	495,9	400,8	(25,0)
Operating margin (%)	16,5	20,2	20,1	18,5	15,3	(18,3)
Capital expenditure	81,2	61,1	91,8	56,8	36,2	32,8
Personal Care						
Revenue	924,3	1 022,5	1 223,3	1 176,5	1 152,9	(9,6)
Operating profit	156,7	220,0	233,1	193,4	170,4	(28,8)
Operating margin (%)	17,0	21,5	19,1	16,4	14,8	(20,9)
Capital expenditure	40,9	15,9	16,8	9,6	12,1	157,2
Footwear & Apparel						
Revenue	1 619,2	1 757,3	1 696,9	1 511,0	1 466,0	(7,9)
Operating profit	263,7	340,8	354,8	302,5	230,4	(22,6)
Operating margin (%)	16,3	19,4	20,9	20,0	15,7	(16,0)
Capital expenditure	40,3	45,2	75,0	47,2	24,2	(10,8)

Group balance sheets – five-year summary

	2025 R'm	2024 R'm	2023 R'm	2022 R'm	2021 R'm
ASSETS					
Non-current assets					
Property, plant and equipment	3 421,1	3 248,3	3 184,2	3 105,0	3 265,8
Right-of-use assets	463,5	466,9	483,2	424,9	251,7
Intangible assets and goodwill	940,3	943,0	927,7	937,0	789,8
Investments	22,6	32,5	34,5	29,1	32,0
Deferred tax asset	58,6	71,2	35,6	37,8	43,3
	4 906,1	4 761,9	4 665,2	4 533,8	4 382,6
Current assets					
Inventories and biological assets	3 127,3	3 055,0	3 052,6	2 820,7	2 474,2
Trade and other receivables including derivatives	2 169,3	2 139,9	1 989,1	1 798,6	1 795,4
Cash and cash equivalents	294,5	352,9	494,9	191,4	194,1
	5 591,1	5 547,8	5 536,6	4 810,7	4 463,7
Total assets	10 497,2	10 309,7	10 201,8	9 344,5	8 846,3
EQUITY AND LIABILITIES					
Capital and reserves					
Attributable to equity holders of AVI	5 346,9	5 784,9	5 116,9	4 793,7	4 401,9
Total equity	5 346,9	5 784,9	5 116,9	4 793,7	4 401,9
Non-current liabilities					
Lease liabilities	417,8	404,9	412,8	354,1	165,8
Cash-settled share-based payment liability	17,5	15,2	–	–	41,6
Employee benefit liabilities	300,1	334,8	286,7	282,3	320,1
Deferred taxation	388,0	394,9	405,6	441,9	426,8
	1 123,4	1 149,8	1 105,1	1 078,3	954,3
Current liabilities					
Cash-settled share-based payment liability	–	–	–	34,8	–
Current borrowings	2 139,9	1 367,2	1 831,9	1 513,7	1 752,9
Trade and other payables including derivatives	1 855,3	1 965,9	2 066,6	1 853,5	1 688,9
Current tax liabilities	31,7	41,9	81,3	70,5	48,3
	4 026,9	3 375,0	3 979,8	3 472,5	3 490,1
Total equity and liabilities	10 497,2	10 309,7	10 201,8	9 344,5	8 846,3

FINANCIAL REVIEW continued

Group income statements – five-year summary

	2025 R'm	2024 R'm	2023 R'm	2022 R'm	2021 R'm
Revenue	16 021,5	15 862,3	14 919,6	13 845,3	13 269,2
Operating profit before capital items	3 561,9	3 304,6	2 714,8	2 540,1	2 409,3
Income from investments	10,1	14,8	8,0	4,6	21,9
Finance costs	(236,8)	(199,3)	(198,9)	(115,5)	(121,2)
Equity accounted earnings of joint ventures	(0,3)	(3,2)	2,1	(0,8)	3,6
Capital items	11,1	(20,7)	9,1	(2,2)	(4,2)
Profit before taxation	3 346,0	3 096,2	2 535,1	2 426,2	2 309,4
Taxation	(916,3)	(838,5)	(698,2)	(675,0)	(663,7)
Profit after taxation	2 429,7	2 257,7	1 836,9	1 751,2	1 645,7
Earnings attributable to owners of AVI	2 429,7	2 257,7	1 836,9	1 751,2	1 645,7
Capital items after tax	(11,5)	15,0	(6,7)	–	3,1
Headline earnings	2 418,2	2 272,7	1 830,2	1 751,2	1 648,8

Group cash flow statements – five-year summary

	2025 R'm	2024 R'm	2023 R'm	2022 R'm	2021 R'm
Operating activities					
Cash generated by operations	3 985,8	3 778,3	3 079,7	2 999,4	3 021,0
Interest paid	(236,8)	(199,3)	(198,9)	(115,5)	(121,2)
Taxation paid	(892,4)	(910,2)	(697,4)	(648,4)	(640,4)
Net cash available from operating activities	2 856,6	2 668,8	2 183,4	2 235,5	2 259,4
Investing activities					
Cash flow from investments	10,1	14,8	8,0	4,6	21,9
Property, plant and equipment – net investment	(588,1)	(460,0)	(468,2)	(228,7)	(298,1)
Intangible assets purchased	(8,7)	(25,8)	(8,0)	(165,3)	(8,5)
Other movements in investments	22,0	(1,3)	(2,9)	1,2	4,3
Net cash used in investing activities	(564,7)	(472,3)	(471,1)	(388,2)	(280,4)
Financing activities					
Increase/(decrease) in short term funding	777,2	(471,9)	305,4	(213,4)	(159,7)
Lease liabilities repaid	(150,6)	(148,3)	(147,2)	(158,1)	(174,0)
Payment to I&J BBBEE shareholders	(0,6)	–	(34,8)	(11,0)	(2,0)
Dividends paid	(2 975,4)	(1 709,8)	(1 538,7)	(1 473,2)	(2 281,2)
Net cash used in financing activities	(2 349,4)	(2 330,0)	(1 415,3)	(1 855,7)	(2 616,9)
(Decrease)/increase in cash and cash equivalents	(57,5)	(133,5)	297,0	(8,4)	(637,9)
Cash and cash equivalents at beginning of year	352,9	494,9	191,4	194,1	842,4
	295,4	361,4	488,4	185,7	204,5
Translation of cash equivalents of foreign subsidiaries	(0,9)	(8,5)	6,5	5,7	(10,4)
Cash and cash equivalents at end of year	294,5	352,9	494,9	191,4	194,1

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 remain 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



Image captions:

1. Leap Science School
2. Domino Foundation – ECD Nutritional Programme
3. Just Grace – Qhubeka Youth Development Programme

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), the UN Guiding Principles on Business and Human Rights, and the UN Sustainable Development Goals, 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”) framework.

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 73. 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.

SUSTAINABLE DEVELOPMENT REPORT continued

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 • 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 Patagonian Toothfish Industry Association, the South East Coast Inshore Fishing 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 Specialty 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, The Glass Recycling Company, 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 National Regulator for Compulsory Specifications; the Abalone Export Council; the SA Maritime Safety Authority; Transnet National Port Authority; the Department of Health ("DoH"); the Department of Agriculture, Land Reform and Rural Development ("DALRRD"); 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

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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. An employee gained unauthorised access to the HR Admin Workflow environment on SharePoint and viewed documents for which he did not have authorisation. This arose from a security scope limitation in SharePoint Server 2019 licensed software that failed to trigger error or use threshold reached notifications. All access to the HR Admin Workflow environment was immediately revoked, the security scope reset, a new document library created, and the initiation workflow to set document permissions was updated. The analysis did not identify any documents that were downloaded or printed and the security risk was assessed as low. The employee indicated that his intention was to prove that the system was vulnerable as he self-reported the vulnerability to the AVI Hotline and his line manager. The breach was reported to the Information Regulator as required.

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 2025 is 27,07%.

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.

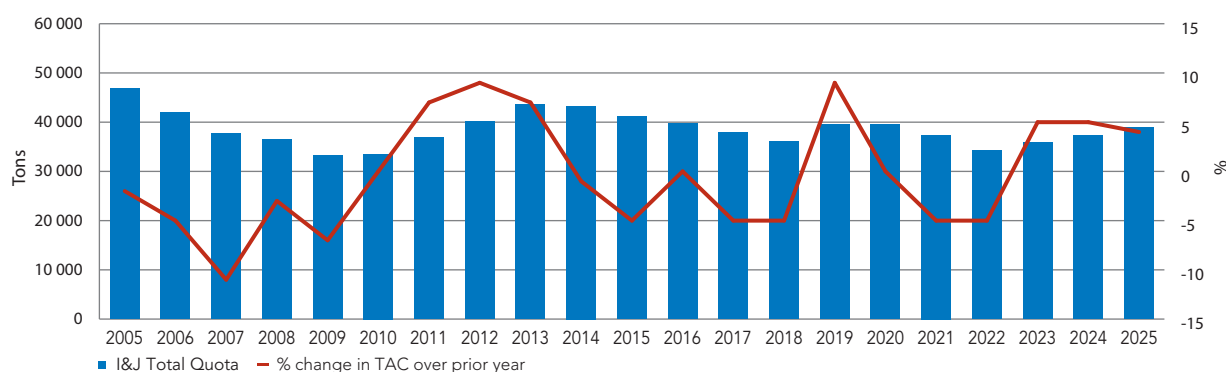
Furthermore, following the 2020/2021 Fishing Rights Allocation Process and subsequent appeals, I&J was also successful in securing 29,45% of the Hake Deep Sea Trawl Total Allowable Catch ("TAC"), representing a 5,0% reduction against the previously held rights. This, together with the Hake Inshore Trawl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

The 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 based on scientific advice and stock assessments 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.

Hake TAC levels are determined using a conservative, science-based approach that incorporates catch data from industry and annual biomass surveys conducted by the DFFE. These surveys are carried out by DFFE scientists using government or chartered research vessels.

The following graph 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:

I&J TAC 2005 to 2025



Recent years have seen an increase in the proportion of smaller hake in I&J's catch, which has negatively impacted freezer catch rates and land-based processing efficiency. Whilst this trend presents short-term operational challenges, it is a natural part of the biomass cycle and indicative of strong recruitment – a positive sign for long-term sustainability.

Environmental conditions, including ocean temperatures and weather patterns, continue influencing fish availability and catch rates. Although storm frequency has not increased significantly off the South African coast, storm intensity has risen, with higher wave heights and wind speeds being recorded. These conditions, while not necessarily detrimental to biomass, do impact 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. Annual surveillance audits are conducted by independent, MSC-accredited certification bodies, with full recertification required every four years. The next surveillance audit for MSC chain of custody is scheduled for September 2025.
- 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

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fisheries. EAF seeks to protect and enhance the health of marine ecosystems. The goals of the RFA include promoting and funding research into responsible fisheries' practices, influencing policy on fisheries' governance, and supporting skills development and research in the industry.

- Operational Management Procedure ("OMP") and TAC: The South African Hake Trawl Fishery was one of the first in the world to implement an 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 ("ASC"): I&J's Aquaculture Division achieved recertification of the Farmed Abalone operation in 2025. Similar to the MSC, annual surveillance audits are conducted by independent, ASC-accredited certification bodies, with full recertification required every three years. ASC certification proves I&J's commitment and compliance to sustainable farming practices. This certification is valid until 2028.

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 purified borehole water, installing back-up water tanks, 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 local 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, a water-wise garden, and a chlorine dosing system installed in the potable water reticulation system after tests showed a lack of free chlorine in the municipal water supply. Over and above the current back-up water storage tanks, Indigo Brands will rely on potable water transported from the I&J water purification plant in the event of municipal supply interruptions and is planning to potentially add an additional 179 cubic meters of potable water storage in F26.

Persistent water outages in the Isando area continued during F25, impacting all the factories and distribution centres in the area, including Ciro, despite both the Isando Coffee & Creamer factory and the Isando Biscuit factory having back-up water supplies, with additional tanks having been installed at the Isando Biscuit factory during F25. The Ciro distribution centre was incorporated into the AVI Isando distribution centre towards the end of F25 and it is anticipated that this will result in, inter alia, a water consumption reduction of approximately 4 000 litres in F26.

Applications for the installation of boreholes and the issuing of water use licenses for the Isando and Westmead Biscuit factories, the Isando Coffee & Creamer factory, the Rosslyn Snacks factory, and the Bryanston office, are in progress. Water extracted from the boreholes for production use or human consumption would be purified through cartridge filtration, reverse osmosis, and disinfection to acceptable SANS:241 standards by on-site water treatment plants. Water treatment plants are already in place at the Isando and Westmead factories and the installation of a Water Treatment Plant at the Rosslyn Snacks factory is currently in progress and

planned for completion during the first half of F26. This includes the installation of new, larger water storage tanks adequately sized for the site's potable and fire water requirements. The water treatment plants will also have the ability to treat any out-of-specification municipal water.

Energy

The extreme energy shortages experienced in South Africa over the past years highlighted the need for the Company to be more self-sufficient and to make energy conservation a priority. The subsidiary companies implemented numerous energy-saving initiatives to manage energy usage and, at the same time, generators were installed at most of the Company's facilities to ensure continuity of supply. The generator installations across the Group ran for a total of 2 963 hours in 2025, against 11 674 hours in 2024, when energy generation from the main grid reached a particular low point. Unfortunately, given the unpredictability of electricity generated and available for distribution in South Africa, as well as the failing state of municipal infrastructure, generators remain an essential feature of business. The generators help to sustain production throughput and customer service levels through periods of 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. Solar power is not, however, always suitable for industrial facilities given the large inductive loads and limited roof space. To operate a factory using solar would require a significantly oversized solar installation to ensure sufficient generation even during the winter months, and large batteries, which is neither feasible nor financially viable. Typically a factory can benefit from a solar system providing between 20-50% of a factories' annual electricity needs without the need for a battery, which could increase the self-sufficiency of a site depending on the profile of consumption. Ideally, factory solar systems work well to supplement grid supplied electricity, particularly when onsite solar generation is not providing e.g. at night. The subsidiary businesses continue exploring opportunities and solutions for more environmentally friendly energy sources, including consideration of wheeling arrangements.

The integration of the Ciro distribution centre into the AVI Isando distribution centre at the end of F25, is expected to achieve an electricity consumption reduction of approximately 485 000 kWh in F26.

Whilst the Company is not a large-scale gas user, natural gas is one of the energy sources used by the Company. The projected sharp decline in natural gas supply to South Africa from Mozambique by July 2028, poses a challenge to not only the Company

but to South Africa's energy security as a whole. As a member of the Industrial Gas Users Association of South Africa the Company is part of a coordinated action to mitigate the expected decline in natural gas supply.

Details of other 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 has been renewed every three years since then, with the current certification valid until 2028. 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

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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.

The ABS Agreement stipulates that benefits are gathered at one point in the value chain and that these will be paid by the processors as the Category A applicants. National Brands Limited is a Category B applicant and only buys Rooibos from Category A applicants with valid biotrade/bioprospecting permits.

A total benefit of R36,1 million has been shared by the Category A applicants for the 2019 – 2023 volume years with the funds paid over to the Bioprospecting

Trust Fund on an annual basis. The industry is up to date with the TK (traditional knowledge) levy payments and is currently in the process of finalising the administrative processes for the 2024 volume year.

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.

Climate change

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 below.

The Company has noted the publication of the following documents:

- The Climate Change Act, 2024, published on 23 July 2024: The Act establishes a legal framework in South Africa for the regulation of the impacts of climate change with the ultimate and aspirational goal of achieving net-zero by 2050. The most significant aspect of the Bill for the private sector will be the framework for the regulation of greenhouse gas emitting sectors. Until the sectoral emission targets and carbon budgets are published the Company will continue measuring, monitoring, and reporting its emissions in terms of the National Greenhouse Gas Emission Reporting Regulations and paying its carbon tax in terms of the Carbon Tax Act, 2019. For now the Company has noted the aspirational goals and the timelines and will monitor progress on the effective date of the Bill and implementation thereafter;

- The Carbon Tax Discussion Paper in respect of Phase Two of the Carbon Tax: As one of the top 20 highest global carbon emitter countries, the South African government has committed to reduce emissions, increase ambition, and contribute to global efforts to curb emissions, limit warming to well below 2°C above pre-industrial levels, and to pursue efforts to achieve the 1,5°C temperature goal. Achieving this will require a rapid and significant decline in greenhouse gas emissions from electricity generation and transport combined with appropriate reductions in industrial process emissions, to be addressed through the Climate Change Act; and
- The Government's updated draft Nationally Determined Contribution ("NDC"): This document is an update to South Africa's first NDC communicated under the Paris Agreement in 2016 and is underpinned by the Climate Change Act. The draft proposes downwardly revised GHG emissions targets for 2025 and 2030 based on an assessment of South Africa's "fair share" of global emissions in accordance with the latest science, and an assessment of the likely GHG emissions outcome of the implementation of current South African policies. The draft NDC also addresses a just transition framework, climate finance, and adaptation measures.

South Africa and, in turn, South African manufacturers, are highly dependent on fossil fuels for the generation of electricity. This creates significant environmental risks to the climate and challenges for businesses operating in South Africa. Whilst the Company is committed to reducing emissions from its own operations, despite their low impact, and to supporting government's efforts to reduce emissions from electricity generation and transport, this will require structural changes and increased international climate finance. The Company has already started investing in solar energy systems and investigating other alternative energy sources, as reported on page 39 and will continue doing so with a view to migrating to alternative energy systems, either wholly or partially, wherever possible.



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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 below. 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				
			F25	F24	F23	F22	F21
1 Water consumption by source –							
1.1 Municipal*	Litres	201 211	675 204 151	687 597 914	663 883 541	663 565 098	589 855 793
1.2 Ground water (borehole)	Litres	61 879	207 648 000	209 808 000	196 640 000	209 967 000	128 601 729
1.3 Other (desalinated)	Litres	61 123	17 217 720	22 421 000	24 541 000	20 943 500	24 885 000
2 Energy consumption by source –							
2.1 Purchased electricity	kWh	87 268 260	84 726 466	86 109 829	83 853 489	95 391 743	101 639 745
2.2 Coal	Tons	33 049 162	11 569	15 021	14 271	14 668	14 532
2.3 Petrol	Litres	1 906 201	680 786	583 559	682 703	539 099	594 599
2.4 Diesel	Litres	59 454 255	20 056 220	20 537 262	21 735 034	21 657 784	20 093 935
2.5 Liquified petroleum gas (LPG)	Litres	1 799 098	1 847 565	1 888 424	2 101 519	2 063 795	2 017 449
2.6 Natural gas	Cubic metres	6 792	2 488 011	2 570 571	2 802 749	2 835 133	2 931 147
2.7 Heavy marine fuel/Jet fuel	Litres	1 659 993	553 331	518 663	513 815	502 912	856 046
2.8 Paraffin	Litres	3 328 154	330 845	372 884	343 832	411 389	518 920
3 Carbon emissions for above indicators –		188 796 128					
3.1 Total carbon emissions	Metric tonnes	188 796	188 796	201 618	200 877	213 866	217 512
3.2 Carbon emissions per employee	Metric tonnes		23	24	23	25	25
4 General –							
4.1 Carbon tax paid in F25	Rand		2 586 272	2 540 356	2 419 539	2 205 702	2 356 272
4.2 Generator running hours	Hours		2 963	12 881	10 898	2 612	1 231
4.3 Energy generated by solar power	kWh		279 107	329 667			

* Includes a credit for 3 920 000 litres made by the Ekurhuleni Municipality in respect of the Ciro Warehouse.

To gain more insight into the material sources of the Company's carbon emissions, the following table reflects the total carbon emissions for just the manufacturing and fishing businesses over the past five years, all of which show a significant reduction since F21:

Business	Total carbon emissions F25 (metric tonnes)	Total carbon emissions F24 (metric tonnes)	Total carbon emissions F23 (metric tonnes)	Total carbon emissions F22 (metric tonnes)	Total carbon emissions F21 (metric tonnes)
National Brands	70 572	83 827	80 749	83 171	84 040
Indigo Brands	3 315	3 207	3 937	3 843	3 838
I&J	102 763	102 015	102 960	113 741	114 379
NBL, Indigo, and I&J total	176 650	189 779	187 646	200 755	202 257
Total Group	188 796	201 615	200 877	213 866	217 512
NBL, Indigo, and I&J percentage of total Group (%)	94	94	93	94	93

The most significant emissions arise from the use of purchased electricity (generated from fossil fuels), coal for coal-powered boilers, petrol, diesel, heavy marine fuel, and jet fuel. Purchased electricity generated from fossil fuels is an area of priority for the South African government in terms of its commitment to reduce carbon emissions. South Africa still has a long way to go before it can successfully reduce its carbon footprint. Market indicators project the renewable energy share to reach around 19,3% of total energy consumption by 2029. If South Africa expects to fully transition to sustainable energy by 2050, solar plants will need play a far larger role in the energy mix in the future. For now private industry remains largely dependent on purchased electricity generated from fossil fuels.

The transition to alternative fuels and propulsion systems for fishing vessels has been the subject of research for some years. The main regulatory institution for the shipping industry is the International Maritime Organisation ("IMO"). IMO's international convention MARPOL (International Convention for the Prevention of Pollution from Ships) aims at preventing pollution of the marine environment due to operational or accidental causes. The convention sets limits on emissions and there are various options that can be considered for conforming to these limits, none of which are without their challenges. The measures include switching fuel types, installing exhaust gas treatment systems or exhaust reticulation, consuming less fuel, dual fuel engines, and hybrid propulsion. At I&J a switch from blended fuel started in 2019 and all vessels are now on low sulphur diesel with a sulphur level below 50ppm. This change has ensured compliance with the IMO regulations. The change to low sulphur diesel has also done away with the need to install exhaust scrubber systems. Fuel reduction projects have been implemented over the past four years at I&J, with a reduction to date of 7% in total fuel usage. Alternative fuels, dual fuel engines, and hybrid propulsion can all be considered on new vessel builds only as the retrofit to existing vessels would be far too expensive and time-consuming.

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. 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. During F25 Indigo Brands completed an ISO 45001 and 14001 baseline assessment to align policies and procedures to the standard for potential future certification.
- 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 and server rooms;
- 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 in accordance with health and safety regulations;
- Upgrading of the air compressors to include variable speed drive and heat recovery functionality in order to provide warm water for ancillary processes; and
- Conversion to energy-efficient, lithium-ion pallet trucks.

Some F25 energy initiatives included:

- The replacement of fourteen aged air-conditioners at Indigo Brands with energy efficient, inverter air-conditioners;
- Evaluation of the replacement at the Westmead Biscuit factory of old and inefficient air compressors with energy efficient units housed in a purpose-built compressor room following the successful project at the Durban Tea factory completed in F25;
- Improved production planning of energy heavy processing steps at the Isando Coffee & Creamer factory;
- The fitting of compressors at the I&J Value Added Processing factory with energy efficient motors and variable speed drives;
- Replacement of refrigeration piping at the I&J Value Added Processing factory; and
- Transfer of the compressor from Auckland Cold Storage, following the closure of the site, to I&J Woodstock to replace the previous high stage compressor.

Plans for F26 include:

- An investigation into the feasibility of a solar photovoltaic system at I&J's Aquaculture site to reduce reliance on municipal and generator produced power;
- Replacement of an old and inefficient compressed air-dryer at Indigo Brands;
- Replacement of old and inefficient air compressors at the Isando Coffee & Creamer factory with energy efficient units, which is expected to be completed during F26; and
- Various further projects at the Coffee & Creamer factory to improve the steam condensate return and thus reduce the use of water and coal.
- 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

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borehole water where appropriate, back-up tanks 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 measuring and managing water consumption.

- 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 all material handling equipment from diesel 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 F25 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 51 765 kilometres and 90 tonnes of carbon emissions for the year. The distribution operations continue investigating the financial and operational suitability of electric and/or hybrid vehicles. Hybrid vehicles have only recently been introduced into South Africa and are still in the testing phase. This option will be reviewed annually to determine whether it becomes financially and operationally suitable. Electric vehicles are currently available but they take approximately eight to nine hours to recharge and mileage on one charge is about 250 – 300 kilometres, depending on the loaded weight and topography. There has also been a slow rollout of electric vehicles in South Africa owing to electricity supply problems. For now, electric vehicles are not a suitable option for the Company's delivery network because of the short range and long recharge times. I&J has been able to improve the fuel efficiency of its fishing fleet by 7% 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 F25. Diesel usage to run back-up generators has significantly reduced during F25 owing to lower levels 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 & 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;
- A project for improvement of the separation and correction of sewer, storm, and effluent drainage and pipelines at the Isando Biscuits factory, which started in the second half of F25 and is nearing completion;
- I&J routinely recycles metal, corrugated cartons, used sunflower oil, and used marine oil;
- I&J has installed a Vacuum Filter System for recycling of used hydraulic oil from winch systems on the vessels;
- 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 has reduced COD (chemical oxygen demand) levels from the aerosol plant by improving the manual removal of residual product from the CIP (clean-in-place) discharge. An installation to automate the separation and recovery of the residual product in return lines from the CIP discharge prior to the initiation of the CIP cycles, will be implemented in F26;
- Indigo Brands removed further excess plastic packaging from its personal care range through the standardisation of a new roll-on format across the Lenthéric and Yardley female range;
- 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; and

- The majority of Spitz shipments are transported by sea in order to minimise the use of CO₂ 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:
 - The containment of hazardous waste levels, increased recycling, and reduced waste to landfill by Indigo Brands, coupled with other initiatives designed to further reduce waste to landfill;
 - 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; and
 - 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, Polycy, and Metpac have implemented various

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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. Unfortunately, the DFFE reports that less than 2 000 companies have registered and are compliant with EPR regulations.

The Group companies ensure that they are compliant 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 2025, based on declared volumes, the levies due amount to R1,2 million. It was reported in F24 that there was a reduction in the amount of EPR levies from R2,5 million in F23 to R162 790,00 in F24 as the result of a change in declared volumes to Polyco who had indicated that it would recover the levies directly from the packaging suppliers. These levies were not recovered from the packaging suppliers as planned and the amount due to Polyco in respect thereof was R4,4 million, which was also paid to Polyco in F25.

- 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 making use of post-consumer recycled polypropylene across black aerosol and roll-on caps. Added to this is the new development of suitable white polymer grades for potential use in body lotion and roll-on bottles, which is currently under development.
- During F25 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 F25		Total F24	
	Annual tonnage	% of annual	Annual tonnage	% of annual	Annual tonnage	% of annual	Annual tonnage	% of annual	Annual tonnage	% of annual
FSC 100%	3 217	38	–	–	–	–	3 217	15	4 148	19
FSC mix/recycled	5 103	61	11 712	100	751	100	17 567	84	17 949	81
Non-FSC/non-compliant	106	1	–	–	–	–	106	1	–	–
Total	8 426		11 712		751		20 890		22 097	
% of total tonnage of all paper packaging	40		56		4		100			

Table 2: Plastics packaging

Category		Material component							
		Contains recycled material		Contains zero recycled material		Total F25		Total F24	
		Annual tonnage	% of annual	Annual tonnage	% of annual	Annual tonnage	% of annual	Annual tonnage	% of annual
Recyclable		216	98	1 491	46	1 707	50	1 634	30
Potentially recyclable		5	2	1 732	54	1 737	50	3 750	70
Compostable/bio-degradable		–	–	–	–	–	–	–	–
Non-recyclable		–	–	3	–	3	–	6	–
Total		221		3 226		3 447		5 390	
% of total tonnage all plastics		6		94		100			

- 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 has taken steps to ensure that all of its Italian suppliers comply strictly to the regulatory requirements for the “Made in Italy” claim and, where a part of the 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 is required to engage 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 and GICG 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:

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- 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; and
- Improved working conditions and fair treatment of workers.

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

The packaging manufacturers in South Africa all hold one or more of the following certifications: FSC Chain of Custody (Forest Stewardship Council), RCS, ISO 9001 and ISO 14001, and Fibre Circle accreditation. The shoe box manufacturer in China is still 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 minimise 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 minimising wastewater, solid waste, and air emissions; and
 - Complying with all product content legislation.
- Assess, monitor and either eliminate or minimise 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.

As far 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 two 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

No 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 71 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, DALRRD, 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.

SUSTAINABLE DEVELOPMENT REPORT continued

- 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, DALRRD, 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 either the relevant government department, or the relevant industry body, 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.
- Image caption:
4. Leap Science School – AVI sponsored students during choir performance as part of cultural activities



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 to develop in-house talent
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 emergence of a "two-tiered" economy has increased the risk and incidence of counterfeit and sub-standard products with limited capability by authorities to police and prosecute	- 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

SUSTAINABLE DEVELOPMENT REPORT continued

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, Gant, and Eden Park 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 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 costs escalations a softening in some commodity prices has been seen but cost pressures persist and consumers remain under pressure, 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 provenance and 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 - Regulatory hurdles that impact on the Company's ability to implement mitigating measures to address local government's failure to perform their duties in terms of relevant legislation - 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 - Increasingly onerous changes to the Broad-Based Black Economic Empowerment Act and Codes, and the Employment Equity Act - 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, product naming, 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 Product Standards Act	- Delays and the constant need for appeals in the Fishing Rights Application Process prolong uncertainty and delay long term investment decisions - Complex processes to apply for water use licenses and borehole installations to mitigate the impact of the failing water infrastructure throughout the country create extended delays in these processes, which frequently result in refusals for arbitrary reasons and necessitate the taking of formal legal action - 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 - Changes to the Employment Equity Act to impose employment equity targets could potentially result in non-compliance owing to a dire skills shortage - The failure by outsourced parties to perform their duties in terms of the Agricultural Product Standards Act has resulted in the termination of their contracts and resumption of these duties by DALRRD, who have, in turn, failed to carry out these inspections - Different product regulations across a multitude of countries are increasingly complicating product labelling and the ability to export to these countries, particularly African countries where there are no coordinated actions to standardise regulations

SUSTAINABLE DEVELOPMENT REPORT continued

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 - There has been increased regulation and levies relating to waste recycling and enforcement of measures to incorporate informal "waste pickers" into the formal recycling industry

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

SUSTAINABLE DEVELOPMENT REPORT continued

2. Climate-related opportunities:

- | | |
|--|--|
| a. Resource efficiency: | <ul style="list-style-type: none"> 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: | <ul style="list-style-type: none"> 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: | <ul style="list-style-type: none"> Given the relatively low impact of the Group's activities, consumers have not expressed climate change concerns related to our products |
| d. Markets: | <ul style="list-style-type: none"> 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: | <ul style="list-style-type: none"> 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 R2,6 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.

Image caption:

5. Leap Science School – AVI sponsored students' live orientation discussions

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.



5

SUSTAINABLE DEVELOPMENT REPORT continued

BBBEE scorecard

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

Element	2025 %	2024 %	2023 %	2022 %	2021 %
Ownership	75,05	72,96	71,98	67,88	64,22
Management Control	38,81	39,10	42,56	41,25	40,10
Skills Development (including Bonus Points)	74,10	69,02	62,25	66,73	60,13
Enterprise and Supplier Development (including Bonus Points)	79,33	83,68	82,30	85,56	87,87
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	79,27	EO: 18,76 points; MC: 7,37 points; SD: 14,82 points; ESD: 33,32 points; SED: 5 points			
Discounting Principle Applied	No	Procurement Recognition	50,00%	Empowering Supplier	Yes
Black Ownership	17,54%	Black Designated Groups	1,40%	51% Black Owned	No
Black Women Ownership	9,71%	Black Youth	1,40%	35% Black Women Owned	No
Black New Entrants	1,27%	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	30/09/2025

Issue Date: 19/08/2025
Expiry Date: 19/08/2028
Certificate Number: ELC14084ROENBB
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
EmpowerLogic (Pty) Ltd
Reg. No.: 1995/000523/07
BBBEE Rating Agency

 SANAS Accredited
BVA018
Per Prebhashini Govender
Member - Verification Committee


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 certificate issued to the measured entity. For enquiries please contact EmpowerLogic at 086 111 4003.

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 schemes that have been implemented deliver value against I&J share price appreciation and are an integral part of I&J's compliance for the allocation of long-term fishing rights.

AVI and 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 other executives, and employment equity as one element.

The Company achieved a combined management control score of 38,81%. The score for Board Participation and Other Executive Management was 28,54% and the score for Employment Equity was 56,42%.

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

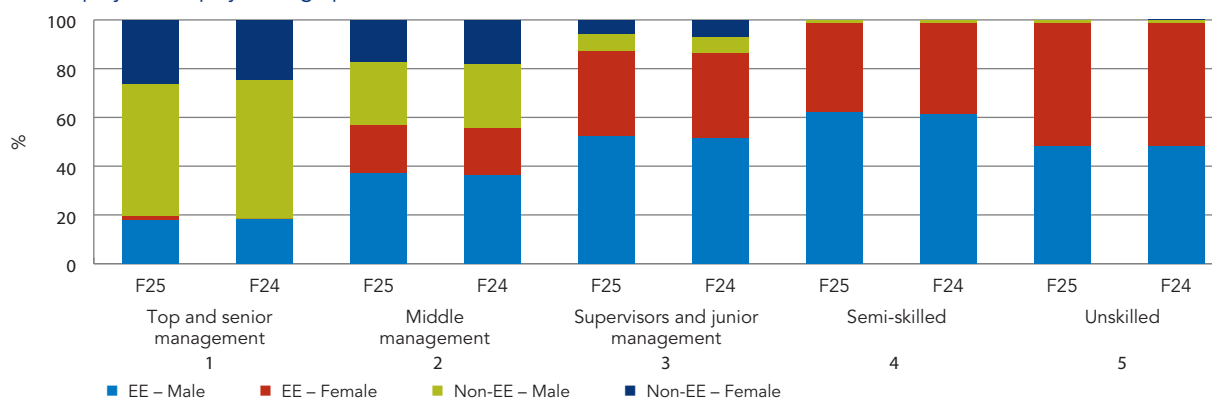
Attracting senior Black candidates from their current employment in these less than certain economic times is difficult with employees often being loathe to leave existing employment. The Company nonetheless continues its efforts to appoint, develop, and retain Black employees, especially where representation 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.

Ownership

The Company achieved an ownership score of 75.05% 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

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 R145,0 million, equivalent to 4,76% 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. 4 555 employees, or 54,61% of the total workforce (including permanent and fixed term contract employees), were trained during the year, 96,14% of whom were Black. Of the total Black employees trained 43,37% were Black females. The total spend for Black males was R53,28 million and for Black females was R38,54 million. The Company budgets annually to spend approximately 2% of the leviable amount on skills development initiatives.

The Company achieved a score of 74,10% (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 Education Training Authority ("TETA"), and the Chemical Industries Education Training Authority ("CHIETA"), which enabled the Company to receive mandatory grant payments of R5,67 million and discretionary grant payments of R2,40 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 337 learners of whom 70 were unemployed disabled persons on key programmes, including End-User Computing Level 3. National Brands continued supporting 36 apprentices on critical and scarce trades courses. 24 employees remained on NQF Level 8 Business Leadership programmes and a further 16 employees on 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 F25 I&J registered a further group of 49 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 104 people (of whom 54 are disabled) on programmes including NQF4 Leadership Development, and NQF3 End User Computing (for learners with disabilities), NQF3 Production Technology, as well as Apprenticeship programmes for both employed and unemployed individuals.

Indigo Brands trained 23 learners, focusing on NQF5 Supply Chain Management and NQF3 End User Computing, and invested in unemployed Disabled Learnerships. In addition, selected employees have been assigned to the Formulation Laboratory and enrolled in Cosmetics Science training with a view to developing cosmetic chemistry capabilities.

SUSTAINABLE DEVELOPMENT REPORT continued

Spitz successfully enrolled 30 people on the NQF5 Retail Chain Store Manager programme with IMM. In addition, 26 store managers participated in the NQF4 General Management programme. 20 unemployed, disabled learners were enrolled on an NQF3 Generic Management programme. Spitz bursaries are funding 8 employees' higher education studies.

Ciro enrolled 20 disabled people on the NQF3 End User Computing programme, and a further 25 employees on NQF4 and NQF5 Generic Management programmes, a Contact Centre Support programme, and OCTO Occupational Certificates in Sales Assistant and Sales Representative.

Since the inception of the AVI Graduate Programme in F16, 134 students have had various opportunities within the Group. There are currently 13 graduates enrolled in the final year of the 24-month programme, being the final intake. The AVI graduate programme has served the Group well since 2016, providing a pipeline for scarce skills, in particular engineering. Given various rationalisation projects underway it was becoming increasingly challenging to place graduates within the businesses after completion of the programme. A decision was therefore taken at the end of 2024 to run out the programme until the end of 2025, whereafter it would be discontinued.

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 129 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 continues identifying and developing other appropriate online training programmes, including most recently Health and Safety Induction, Access Control and Food Safety, Disciplinary Guidelines, Mystery Shopper (for Spitz), and Product Knowledge for Ciro, with a further 17 courses in the development stage.

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 and the Company continues to benefit from the holistic view of our talent and succession strategies across and within our businesses.

Preferential procurement, 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 79,33%. The Company met the 40% threshold in all three elements, namely preferential

procurement (86,63%), supplier development (49,26%), 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 Kaya Café (Pty) Ltd and Focus Facilities Solutions (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 localisation plans are currently in progress:

- The plan for local procurement of specialised paper wax liners (mince block packaging) for I&J, which are imported from Denmark, China, and the United Kingdom, is in the final stages of product trials.
- Indigo has identified a project for local manufacture of roll-on balls to replace the products being sourced from China.
- A supplier development project for a Procurement e-Catalogue that allows buyers to procure low value, high volume products experienced some delays but has progressed well through F25 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 –

- 97% of local supplier spend is BBBEE compliant.
- 8% of the local procurement spend is with EMEs and QSEs.
- 61% of the local procurement spend is with Black-owned vendors.
- 53% 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.

Image caption:

6. Ruth First Jeppe Girls – AVI sponsored students

In March 2025, the Department of Trade, Industry, and Competition ("DTIC") published the Draft Transformation Fund Concept Document detailing a plan to redirect funds from companies' enterprise and supplier development spend to a central fund managed by the DTIC to empower majority black-owned businesses. It is not yet clear how the amounts payable would be calculated and which elements of the scorecard would be affected, i.e. one or both of enterprise and supplier development. The Company will continue monitoring progress on this proposal.

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 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



6

SUSTAINABLE DEVELOPMENT REPORT continued

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, R32,9 million was available to the Company's CSI programmes. Of this amount R31,1 million was distributed as direct financial contributions to beneficiaries. In addition, the Company incurred R2,8 million in overhead and administration costs.

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 exposes learners from grades 10 to 12 to high-quality educational materials and 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, Mabopane, and other low-income communities.
- 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 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 Kliptown Youth Programme has been supported by the Trust 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

Image captions:

7. The Carel du Toit Centre
8. Kingsway Christian School
9. Just Grace – Qhubeka Youth Development Programme
10. Whale Coast Conservation



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 15 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 2025, supported another 23 students.
- The Learn to Earn foundation trains students in Basic Computer Skills, Office Administration, Sewing, Hospitality, Baking, Barista, and Shop Assistant 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.
- 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 courses 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 10 learners who are in their first 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 supported 2 students to complete their 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

SUSTAINABLE DEVELOPMENT REPORT continued

and mental wellness into one educational experience. The Company funding has contributed not only towards the operational needs of the programme but also the acquisition of much-needed equipment and the establishment of a facilitators programme for 10 of the volunteers to better equip them with accredited skills in Business Administration and New Venture Creation.

- Sparrow Schools Educational Trust strives to provide disadvantaged children with cognitive barriers access to quality and accredited learning through the use of the Phono-Graphix programme. The programme gives teachers and learners the tools they need to open the door to literacy and has proven effective in addressing reading problems at any age or ability level.
- Read to Rise started in 2013 and is committed to promoting literacy in schools in under-resourced communities. The philosophy of the programme is that children need to read in order to rise in their personal development and contribution to society. The Company supports the delivery of this programme across schools in Soweto, Johannesburg, and Mitchells Plain.
- The Good Shepherd Primary School is a no-fee public school on private property in Makhanda (formerly Grahamstown) in the Eastern Cape. 315 learners from the surrounding low-income communities are currently enrolled from Grade R to Grade 7. In F25 the Company contributed towards the reconfiguration and renovation of their computer laboratory.
- Siyabonga Africa has been operating for 38 years and provides skills training for unemployed persons in baking, information technology, early childhood development, welding, and fashion, and provides business support for start-ups as well as food security in the form of food vouchers and food gardens. The Company supported the welding programme for 10 unemployed learners.
- Baby Line supports vulnerable mothers by providing counselling, guidance, and safe alternatives for those struggling to care for their babies. It not only addresses immediate physical needs but connects mothers with local organisations, community members, and support networks that can provide long-term care and resources. The Company's contribution assisted with care packs to new mothers in Gauteng.

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 is aimed at teaching children how to recognise and react appropriately to threats posed by open bodies of water and to assist in helping those in a potential life-threatening situation. The 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 on-going 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, and the acquisition of a state-of-the-art echocardiography machine for paediatric heart patients. I&J is proud to have a named space allocated in the waiting room of the Orthopaedic Ward of the Hospital.
- The KZN Children's Hospital Trust established in 2011 to work in a public-private partnership with the KwaZulu-Natal Department of Health to renovate and re-establish services. This goes hand in hand with the restoration of the historical structures within the hospital precinct and the construction of a new 7-storey building. The Company has previously provided support for this programme and in F25 contributed a further amount towards the Child and Adolescent In-Patient Psychiatric Unit.
- 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 supported the Enactus teams at the Tsolo Agriculture and Rural Development Institute, Sol Plaatje University, University of the Free State, and University of Zululand.
- 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.
- 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 five 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. To date, the Company has sponsored the installation and monthly restocking of 8 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 contributions assist with 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. 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.
- Gift of the Givers, which is the largest non-governmental disaster response organisation on the African continent. In F25 the Company contributed towards assisting persons affected by the devastating floods in the Eastern Cape.

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, Seesterretjies ECD Centre, Impande Yotshani, Share the Love, the Coalition of Anglican Children's Homes, Pathways Roodepoort, IThemba Lethu, Coach, Missing Children SA, Embocraft Training Centre Trust, Go for Gold Tuition, Siyabonga Africa, Thomsom Smillie, the Trauma Centre for Women and Children, Abraham Kriel Childcare, Action for the Blind, Buhle Farmers, Owl Rescue Centre, CHOC SA, Chubby Chums, Johannesburg Care Foundation, Christel House, The Peace Agency Baby Home, Operation Hunger, Living through Learning, Prosperous Souls, Manger Care Centre, and Ladies of Hope.

In addition to contributions made to various organisations by the Trust, I&J also contributed just over R2,3 million directly to a number of programmes aimed at the communities in which its employees live and work, such as Service Dining Rooms, Seesterretjies ECD Centre, Eleven Express Football Club The Homestead Project for Street Children, Heideveld Rescue Mission, Lifesaving Cape Town, The Trauma Centre for Survivors of Violence, and SA Harvest.

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 2025 employees across the Group participated in various Mandela Day activities, including, employees packing care bags for Baby Line, a visit to KZN Children's Hospital, a school painting initiative at the Love Trust Nokuphila School, a clean-up campaign at Little Eden, as well as participating in the Red Cross Children's Hospital Trust Mandela Day Drive, which involved handing out gifts to the children and generally interacting with them.

SUSTAINABLE DEVELOPMENT REPORT continued

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)	2025	2024
Fixed term contract	533	532
Fixed term contract – in-service trainee	0	0
Fixed term contract – learnership	132	174
Permanent	7 676	7 753
Number of employees by type of employment (Namibia, Zambia, and Botswana)		
Fixed term contract	5	6
Permanent	281	278

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

Region	Male	Female
Eastern Cape	149	105
Free State	139	67
Gauteng	1 901	1 538
KwaZulu-Natal	890	662
Limpopo	32	38
Mpumalanga	47	43
Northern Cape	6	5
North West	22	23
Western Cape	1 276	935
Namibia, Botswana, and Zambia	236	50

	2025	2024
Number of permanent employees (South Africa at 30 June)*	7 676	7 753
Gender split (%) (including Foreign)		
• Male	57	57
• Female	43	43
Ethnic split (%)		
• African	73	73
• White	5	5
• Indian	4	4
• Coloured	17	17
• 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

* This number is measured as at 30 June and may therefore differ from the numbers reported under the skills development section of this report where the numbers are reported as total persons in the employ of the Company throughout F25.

	2025	2024
Number of permanent employees (Namibia, Zambia, and Botswana at 30 June)	281	278
Gender split (%) (including Foreign)		
• Male	84	84
• Female	16	16
Ethnic split (%)		
• African	99	97
• White	0,7	1
• Indian	0	0
• Coloured	0,3	2
• Foreign	–	0,5
Ethnic and gender split (%)		
• Black (African, Indian, and Coloured) male	83	83
• White male	0,35	0,7
• Black (African, Indian and Coloured) female	16,3	16
• White female	0,35	0,3
• Foreign	0	0

Employee Movements - South Africa at 30 June 2025 (including intra-Group transfers and changes in contract from Fixed Term Contract to Permanent and Permanent to Fixed Term Contract)

Region	Age Group	Fixed Term Contracts (all types)				Total All Fixed Term Contracts	Permanent				Total All Permanent Employees	Total Net Movements All Employees
		Female		Male			Female		Male			
Region	Age Group	Entry	Exit	Entry	Exit		Entry	Exit	Entry	Exit		
Eastern Cape	<20	3	2	0	0	1	1	1	0	1	(1)	0
	20 – 40	15	10	21	16	10	10	11	20	20	(1)	9
	41 – 60	0	0	1	1	0	2	5	1	7	(9)	(9)
Free State	<20	0	0	0	0	0	1	0	0	0	1	1
	20 – 40	6	5	9	6	4	5	8	19	29	(13)	(9)
	41 – 60	0	0	0	0	0	2	2	2	4	(2)	(2)
Gauteng	<20	5	3	8	8	2	1	0	3	2	2	4
	20 – 40	159	169	157	170	(23)	98	94	129	154	(21)	(44)
	41 – 60	21	16	13	14	4	13	50	20	83	(100)	(96)
	60+	1	3	2	5	(5)	0	2	0	3	(5)	(10)
KwaZulu-Natal	<20	2	0	5	1	6	0	1	1	0	0	6
	20 – 40	51	56	48	49	(6)	34	16	50	51	17	11
	41 – 60	0	2	1	5	(6)	6	12	8	22	(20)	(26)
	60+	0	0	0	2	(2)	0	0	1	3	(2)	(4)
Limpopo	<20	2	2	0	0	0	0	0	0	0	0	0
	20 – 40	11	11	9	7	2	2	9	6	7	(8)	(6)
	41 – 60	0	0	0	0	0	0	1	0	0	(1)	(1)
Mpumalanga	20 – 40	20	20	14	14	0	0	2	5	6	(3)	(3)
	41 – 60	0	0	0	0	0	0	0	0	1	(1)	(1)
Northern Cape	20 – 40	1	1	2	2	0	1	1	0	1	(1)	(1)
North West	20 – 40	3	3	3	3	0	0	1	3	1	1	1
Western Cape	<20	19	16	25	10	18	4	3	1	2	0	18
	20 – 40	193	155	246	117	167	26	62	70	96	(62)	105
	41 – 60	13	12	66	32	35	11	42	16	73	(88)	(53)
	60+	0	2	4	8	(6)	0	0	0	2	(2)	(8)
Grand Total		525	488	634	470	201	217	323	355	568	(319)	(118)

SUSTAINABLE DEVELOPMENT REPORT continued

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, 37,44% 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 59. 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.

SUSTAINABLE DEVELOPMENT REPORT continued

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 77 disabling injuries. These injuries resulted in 658 lost days for the year, and an achieved DIFR of 0,63 for the year, below the target DIFR of 0,64.

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 2 class 1 injuries or deaths, 6 class 2 injuries, and 69 class 3 injuries. Neither of the 2 class 1 injuries resulted in death. All injuries were 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 and there are currently only six active work-related upper limb disorder cases linked to the repetitive nature of roles, particularly amongst packers. 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 retail 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 at the Woodstock factory has SANAS 17025 accreditation. The I&J chicken processing plant is ZA 111 certified (certification by DALRRD 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.

SUSTAINABLE DEVELOPMENT REPORT continued

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 2024 to 30 June 2025 with reference to the 2021 GRI Standards

(Page references are to the issues to the extent reported and do not fully 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, 124, 125, 138 to 141
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, 138 to 153
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, 95, 131 to 137
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	66 to 70
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	66 and 68
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	88 to 96
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	88 to 96

SUSTAINABLE DEVELOPMENT REPORT continued

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	88 to 96
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	88 to 96
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	88 to 96
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	88 to 96
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	88 to 96
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	88 to 96
2-17 Collective knowledge of the board: Measures taken to advance the collective knowledge, skills, and experience of the board on sustainable development	88 to 96
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	88 to 96
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	68, 99 to 119
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	99 to 119
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	99 to 119

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	4 to 9, 32 to 72
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 to 72
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 to 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 to 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 to 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	49 and 50
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	68

SUSTAINABLE DEVELOPMENT REPORT continued

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 to 48, 54 to 56
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	145, 152, 169 and 170
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, 3, 11 to 23, 25 and 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'	60 and 61
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, 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, 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

SUSTAINABLE DEVELOPMENT REPORT continued

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	121 to 198
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 to 49
301-2 Recycled input materials used: Percentage of recycled input materials used to manufacture the organisation's primary products and services	37 to 49
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 to 49
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	42
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	42
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	42
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	42
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, 39 and 42

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 to 48
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 ($\leq 1\,000$ 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 to 48
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 to 48
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	42
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 km ² (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 to 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 to 40

SUSTAINABLE DEVELOPMENT REPORT continued

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 to 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 to 40
GRI 305: Emissions	
305-1 Direct (Scope 1) GHG emissions: (a) Gross direct (Scope 1) GHG emissions in metric tonnes of CO ₂ or equivalent (b) Gases included in the calculation (c) Biogenic CO ₂ emissions in metric tonnes of CO ₂ 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	42
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 2), and/or other indirect (Scope 3) (d) Gases included in the calculation	42
305-5 Reduction of GHG emissions: (a) GHG emissions reduced as a direct result of reduction interventions, in metric tonnes of CO ₂ 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	42
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 to 49
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 to 49
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	49

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 to 49
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 to 49
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 to 49
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	60 and 61
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	60 and 61
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	66 and 67
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'	66 to 71*
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	66 to 71*

SUSTAINABLE DEVELOPMENT REPORT continued

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	66 to 71*
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	70 and 71*
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	70 and 71*
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	70 and 71*
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	70 and 71*
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	70 and 71*
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	70 and 71*
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	70 and 71*

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	70 and 71*
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	70 and 71*
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	59 and 60
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	59 and 60
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	59 and 60
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)	58, 59, 66, 67, 86 and 88
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

SUSTAINABLE DEVELOPMENT REPORT continued

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	60, 61, 68 to 71*
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	60, 61, 68 to 71*
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	60, 61, 68 to 71*
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	68 to 71*
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 to 72
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 to 72
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	60 and 61

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	60 and 61
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	49 and 50
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	49 and 50
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	49 and 50
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	49 and 50
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.

BOARD OF DIRECTORS

Simon L Crutchley (62)

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.

Justin C O'Meara (47)

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 (48)

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.

Michael J Watters (66)

Independent non-executive director

Qualifications: Bachelor of Science (Civil Engineering) (Wits), Graduate Diploma (Project and Financial Management) (Wits), 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.

Alexandra Muller (49)

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 (66)

Independent non-executive director

Qualifications: Bachelor of Accounting Science (Hons) (UNISA), Higher Diploma in Computer Audit (Wits), 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 (59)

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-Saharan 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 (62)

Independent non-executive director

Qualifications: B Com Honours (Rhodes), Certificate in the Theory of Accounting (Rhodes), Higher Diploma in Taxation (Wits), CA(SA)

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.



SPITZ

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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").

Following the signing into law of the Companies Amendment Act, 16 of 2024, and the Companies Second Amendment Act, 17 of 2024, on 27 December 2024, the Company has reviewed the legislative changes to determine their impact on internal policies, governance frameworks, and disclosure requirements. Where applicable, the Company has begun implementing the necessary changes to ensure full compliance.

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. Steven 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.

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.

The Chairman, with the assistance of the Company Secretary, led an overall performance evaluation of the Board, the Board committees, and individual directors. This exercise was conducted by means of individual questionnaires prepared by the Company Secretary and completed individually by each member of the Board and Board committees. The results indicated that the Board, the Board committees, and individual directors were found to operate effectively, and those few areas identified for action will be addressed over the course of the new financial year. Based on the results of the recent evaluation, the Board does not currently believe it is necessary to perform an independent review but will continue to monitor this requirement.

The independence of each non-executive director was assessed by way of a formal written self-assessment based on a number of independence indicators, including personal and professional interests, nature of the director's relationship with the Company, length of service and individual conduct. The Board was satisfied that each non-executive director acts with independence of mind and in the best interests of the Company, and therefore fulfil the requirements of King IV and are considered to be independent.

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	05/09/2024	12/11/2024	07/03/2025	11/06/2025
MJ Watters	√	√	√	√
SL Crutchley	√	√	√	√
JC O'Meara	√	√	√	X
VA Davies	√	√	√	√
M Koursaris	√	√	√	√
MR Mouyeme	√	√	√	√
A Muller	√	√	√	√
SG Robinson	√	√	√	√

Key:

√ = in attendance; X = not in attendance

At the meeting held on 11 June 2025, 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.

Mrs Scheepers left the Company's employ on 31 August 2025 and Ms Vivien Crystal, the Group's Legal Executive, was appointed the Company Secretary from 1 September 2025.

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 Mrs Scheepers for the year under review, and that she had maintained an arm's length relationship with the Board and the directors. The Board also assessed and satisfied itself as to the competence, qualifications and experience of Ms Crystal for the role.

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 Steven Robinson (the Chairman), Maserame Mouyeme and Alex Muller, all of whom are independent non-executive directors. In compliance with the Companies Act, shareholders will be asked at the Annual General Meeting on 11 November 2025 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.

CORPORATE GOVERNANCE REPORT continued

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

Name	05/09/2024	05/03/2025
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 11 November 2025. 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 Val Davies (the Chair) and Mike Watters, all of whom are independent non-executive directors. 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	01/08/2024	05/09/2024	12/11/2024	10/06/2025
VA Davies	√	√	√	√
MJ Watters	√	√	√	√

Key:
√ = in attendance

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

In line with the requirements of the Companies Amendment Act, No. 16 of 2024, the composition of the Social and Ethics Committee was reviewed during the financial year. Previously the committee was comprised of one non-executive director as Chair, Alex Muller, and two executive directors, Simon Crutchley and Justin O'Meara. In compliance with the amended provisions of the Act requiring that the majority of the

members be non-executive directors the two executive directors resigned from the committee with effect from 16 January 2025, with, non-executive directors Mike Watters and Maserame Mouyeme appointed as members of the Social and Ethics Committee, with effect from the same date. The two executive directors and the Group Legal Executive will continue to attend the meetings as invitees. As required by section 72 (9A) of the Companies Amendment Act, 2024, shareholders will be asked at the Annual General Meeting on 11 November 2025 to elect the members of the Social and Ethics Committee.

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

Name	05/09/2024	05/03/2025
A Muller	√	√
SL Crutchley	√	
JC O'Meara	√	
MJ Watters		√
MR Mouyeme		√

Key:

√ = in attendance;

■ = resigned; ■ = not a member

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.

CORPORATE GOVERNANCE REPORT continued

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 99 to 119 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.

SOCIAL AND ETHICS COMMITTEE REPORT

The Social and Ethics Committee ("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 responsibilities and duties of the committee are:

- To monitor the Company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters 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.
- To draw matters within its mandate to the attention of the Board as the occasion requires.
- To report, through one of its members, to the shareholders at the Company's Annual General Meeting on the matters within its mandate.

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 and has satisfied itself that the Company has met its legal, regulatory and other requirements relating to the matters under the Committee's remit and that adequate procedures are in place to ensure continued compliance.

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.

For details regarding the composition and meetings of the Committee, shareholders are referred to the Corporate Governance Report on pages 88 to 95.



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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 expectation within a single framework, sometimes leading to a lack of support for changes or the remuneration policy as a whole because of relatively minor differences in views. What is important is that outcomes are aligned to shareholders and that the framework is properly understood. To this end we have embraced a process of engagement and continuous improvement to improve understanding. 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, no changes were made to the remuneration policy.

At the Annual General Meeting held on 12 November 2024 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. The following table shows the percentage of non-binding votes cast in favour of the policy and report over the past four years:

	November 2024	November 2023	November 2022	November 2021
Remuneration policy	66,60%	65,16%	61,23%	53,35%
Remuneration report	64,20%	33,57%	60,87%	56,62%

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 these shareholders or their representatives, to address all legitimate and reasonable questions, objections, and concerns raised. The issues raised included:

Issue raised	Response
Non-executive director fees	
The increase in fees payable to members of the Audit and Risk Committee	The increase proposed was 15% against 7% for the Board and other committee roles. Whilst above inflation, the increase would have resulted in a fee in line with benchmark, taking into consideration the complexity of this committee's responsibilities and the fact that the members of the Audit and Risk Committee did not receive increases in F23 owing to the non-approval of the new non-executive remuneration framework by shareholders. The new framework was subsequently abandoned owing to lack of support. Considering what the compound annual increase in fees for these committee members would have been since F22 if inflationary increases had been awarded in F23, the fees proposed in F24 would have been in line therewith. This proposal was, however, not approved by shareholders at the Annual General Meeting.
Executive Guaranteed Remuneration	
Executive pay increases and the quantum of total remuneration	Executive director salaries are annually benchmarked against an appropriate peer group as there are no appropriate industry benchmarking reports available. This is a common approach amongst JSE listed companies for whom AVI is a peer. The peer group is chosen from the annually determined AVI Limited Out-Performance Scheme ("OPP") peer group, which is approved by Remcom in October of each year. Public remuneration data is then used to create this bespoke internal survey. Together with this Remcom considers factors such as length of service, experience, skills, and individual performance. The wealth of experience, knowledge, and understanding of the Company's business held by the executive directors is invaluable and it is essential that AVI is competitive against the national market to ensure retention and appropriate reward. Remcom is comfortable that the executive directors are appropriately benchmarked and rewarded and will continue ensuring that benchmarking against the market is done for future appointments who might not have the same skills and experience as current incumbents.

REMUNERATION REPORT continued

Issue raised	Response
Short-term incentives	
- Improvement of the structure of the short-term incentives using multiple financial KPIs to determine the award of the incentives - Improved disclosure on short-term incentives by disclosing how the weighting allocations towards the non-financial KPIs could be distributed as well as clearly articulating how performance will be measured against KPIs - The explanation and allocation of financial metrics on the short-term incentives	Short-term incentives comprise financial and individual KPIs, the weighting of which was set out on page 98 of the 2024 annual report. Financial targets attached to short-term incentives provide a sense of direction and purpose and keep senior executives on track to achieve financial success. It is on this basis that the financial targets are determined and focused on profit and capital employed achievements relative to target, as outlined in the disclosures. The short-term incentive individual KPIs are set on an annual basis and are reviewed by the Remcom to ensure that they remain relevant. These individual KPIs are aligned to the long-term business strategy, some of which cannot be disclosed due to their confidential nature, and are designed to ensure that focus remains on the most important metrics. The performance ratings disclosed in the 2024 annual report encapsulate the achievements against the KPIs. The measure of achievement of these indicators carries an element of subjectivity but the Remcom is able to meaningfully assess them on an objective basis. There is no deviation between bonus outcomes and wider financial performance of the Group with growth in earnings, return on capital employed, and the Company's share price.
Long-term incentives	
Improved disclosure on long-term incentives by specifying the targets in terms of a minimum threshold, on-target performance, and a stretch target for vesting of shares	The long-term incentive schemes in place were all previously presented to and approved by shareholders. The mechanics and performance conditions outlined in the table on page 101 of the 2024 annual report aligned with those approved, with zero vesting of instruments under conditions where the performance conditions are not achieved.
- Executive remuneration structures and simplification of the long-term incentives - How the introduction of the Full Value Cash-Settled Phantom Share Schemes are intended to improve retention	The various Group long-term incentive schemes have evolved over time with the various schemes working together to achieve an appropriate mix of reward for threshold, on target, and stretch outcomes. Whilst 21st Century had recommended the discontinuation of the Deferred Bonus Share Plan ("DBSP") as part of the 2023 proposal to introduce a full-value forfeitable scheme to replace both the DBSP and the Revised AVI Limited Executive Share Incentive Scheme ("RESIS") (which proposal did not receive sufficient shareholder support and was accordingly withdrawn at the Annual General Meeting), the new full-value phantom AVI and business unit schemes were designed to support the existing long-term incentive framework, including the DBSP and RESIS. Awards in the full-value phantom schemes are made in substitution for and not in addition to, awards on the DBSP and RESIS after due consideration of the value of existing awards, retention risks, weighting of unvested full value and share appreciation rights awards across schemes, etc. Given the embedded value of the full-value phantom shares, awards are made in a ratio of 1:5 full-value notional shares to RESIS or business unit phantom growth shares. The full-value phantom schemes bolster the existing framework and provide a mechanism to retain and reward top executives during periods where existing awards carry little to no value, despite strong performance relative to peers and the market. There is no duplication of awards and, to date, no awards on the full-value phantom schemes have been made to executive management, including the executive directors.

Issue raised	Response
Long-term incentives	
Performance conditions and target calibration on long-term incentives	The implementation of full-value phantom schemes did not constitute a transition from share appreciation rights to full-value shares as the primary long-term incentive as explained above. The performance conditions under the full-value phantom schemes have been carefully considered, compared against peers, aligned to business objectives, and stretched when compared against the other schemes previously approved by shareholders. Participation across the various schemes provides participants with the opportunity to achieve various performance outcomes similar to that of a linear vesting scale. It was noted that: (a) the ROCE hurdle rate was set at a level appropriate to drive correct investment decisions and considered the fact that the current achieved ROCE is based on the historical carrying value of assets. At replacement value the ROCE metric reduces considerably with a target at WACC x 125% considered appropriate to encourage decisions that are supportive of shareholder interests; (b) cash conversion is determined based on cash generated by operations (including working capital changes) as a percentage of EBITDA; (c) the full-value phantom schemes bolster the existing framework with awards in substitution for the growth options; and (d) it is important that top executives not be penalised for producing positive results historically, particularly in a challenging operating environment, but rather be incentivised to produce outcomes that are better than peers and reward shareholders.
The exercise period on the RESIS	It was confirmed that, subject to good and bad leaver provisions, the exercise period is between the vesting date and the end of 2 years thereafter.
Other	
Minimum shareholding requirements for Group executives and, if none, an explanation for the move from shares to cash	It was confirmed that there are no minimum shareholding requirements for executives. The Board and Remcom are satisfied that the executives have sufficient exposure to shareholding through the existing long-term incentive awards to ensure that their long-term interests are aligned with the long-term interests of shareholders.

The Company has noted the changes to the Companies Act introduced by the Companies Amendment Act, 2024, and these have been implemented, as necessary. The changes to remuneration disclosures, voting requirements on the remuneration policy and implementation report, and the consequences for non-approval thereof have not, as at date of writing of this report, come into effect. The King Committee has published its amendments in the draft King V Code and the JSE is monitoring the changes, whereafter changes to the Listings Requirements will be made, as necessary. Once these amendments come into effect the Group will report in accordance with the requirements.

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 2025.

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

REMUNERATION REPORT continued

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, skill sets, 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.

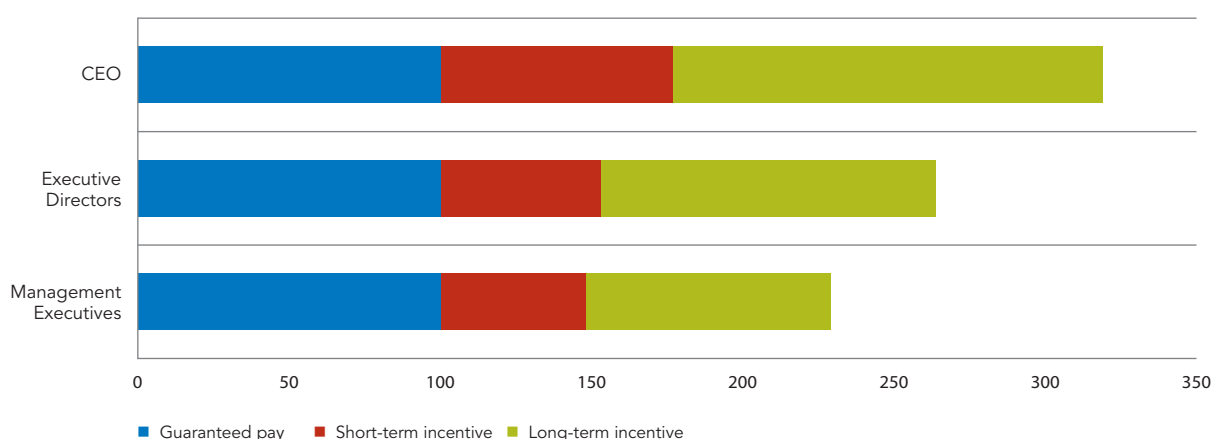
From time to time and considering risk factors at the time, including the risk of losing critical skills and key employees, Remcom is authorised, where deemed appropriate, to implement special retention bonus payments for identified individuals, over and above the approved, annual, performance-related 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	24	46
Executive directors	36	20	44
Management executives	40 – 45	15 – 20	35 – 40

The following graph shows how the Group long and short-term schemes operate for on-target outcomes relative to the guaranteed remuneration for the Chief Executive Officer, the Executive Directors, and Management Executives:

Executive Remuneration Mix (On-target outcome)



The above is further illustrated in the table below for the three executive directors:

	Guaranteed Remuneration R'000	STI Participation %	STI On-Target Award R'000	Long-term incentives						Total Full Value Equivalent of LTIs R'000	Total salary (On-Target) R'000
				DBSP Participation %	DBSP Full Value Equivalent Award R'000	RESIS Participation*	RESIS Full Value Equivalent Award** R'000	OPP Participation %	OPP Full Value Equivalent Award R'000		
SL Crutchley CEO	17 496	80	13 472	50	8 748	175	6 124	60	10 498	25 369	56 337
JC O'Meara CFO	6 949	55	3 678	35	2 432	145	2 015	50	3 474	7 922	18 549
M Koursaris Executive Director	8 753	55	4 633	35	3 063	145	2 538	50	4 376	9 978	23 364

Proportion of guaranteed remuneration

		Long-term incentives					Total Full Value Equivalent of LTIs %	Total salary (On-Target) %
	Guaranteed Remuneration %	STI On-Target Award %	DBSP Full Value Equivalent Award %	RESIS Full Value Equivalent Award** %	OPP Full Value Equivalent Award %			
SL Crutchley	CEO	100	77	50	35	60	145	322
JC O'Meara	CFO	100	53	35	29	50	114	267
M Koursaris	Executive Director	100	53	35	29	50	114	267

* The RESIS participation takes into consideration the sacrifice of instruments required in terms of the rules of the OPP Scheme.

** The full value equivalent of the RESIS award has been reflected on a 1:5 ratio given that RESIS instruments are not full value options and are issued at a strike price which aligns with market prices at the time of the award.

REMUNERATION REPORT continued

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's diverse operations that sometimes require very specific sets of skills, and the need to attract and retain talented employees in general, often makes it necessary to offer to remunerate executives with proven track records at the upper quartile.

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 appropriate and relevant.

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 R2,5 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 business unit, due to their role and levels of responsibility, the more their annual incentive is aligned with the financial performance of that business unit. 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 R121,4 million which was 16,74% 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 R188,8 million or 28,22% 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 (% of TCTC)	Bonus range (% of 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 2025 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 114.

*** 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 F25 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	4 809
Targeted financial performance	21 783
Maximum financial performance	53 257

Other executive management

Range	Value R'000
Minimum financial performance	4 341
Targeted financial performance	11 707
Maximum financial performance	26 010

REMUNERATION REPORT continued

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 2025 no retention payments were authorised or paid for F25.

Long-term incentive schemes

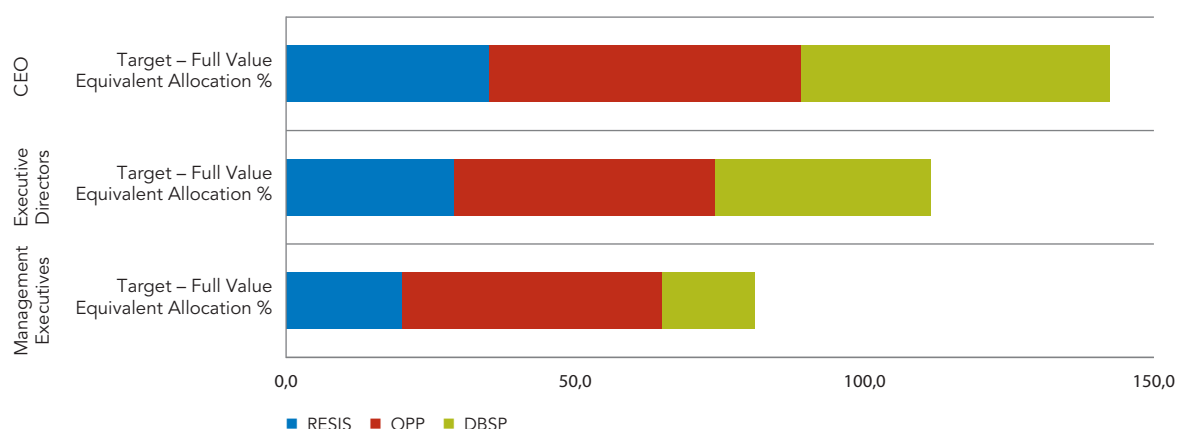
Long-term share incentive schemes remain a material part of the Group's reward framework. The schemes are designed to ensure that appropriate employees are retained over a medium to long-term period, are rewarded responsibly for their efforts, and that their interests are aligned with the interests of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

The rules, performance conditions, and employment conditions for all share incentive schemes, excluding the phantom schemes which were approved by Remcom, currently in operation at the Company were approved by shareholders in general meetings at inception of such schemes. There are currently five share incentive schemes in place – the AVI Limited Revised Executive Share Incentive Scheme ("RESIS"), various Business Unit Phantom Growth Share Schemes ("Phantom"), the AVI Limited Deferred Bonus Share Plan ("DBSP"), the AVI Limited Out-Performance Scheme ("OPP"), the AVI Full Value Cash-Settled Phantom Share Scheme ("AVI FV") and the AVI Business Unit Full Value Cash-Settled Share Scheme ("BU FV").

The long-term incentive framework has evolved over time with the various long-term schemes working together to achieve an appropriate mix of reward for threshold, on target, and stretch outcomes. The Company and Remcom believe that the continuation of the RESIS, OPP, and DBSP for top executives is necessary, supported by the intended functioning of the full value schemes, to retain an appropriate weighting against performance conditions and reward outcomes and provide the optionality needed to navigate an environment of changing market dynamics to ensure retention whilst achieving alignment with shareholders.

The following graph gives a view of top executive participation across the various schemes as at 30 June 2025, reflected as a percentage of guaranteed remuneration, based on a full value equivalent allocation (i.e. the RESIS participation has been adjusted to reflect a full value equivalent participation on a 1:5 basis) in respect of an on-target outcome:

Long-Term Incentive Participation % (On-Target)



Performance conditions under the full value schemes have been carefully considered, compared against peers, aligned to business objectives, and stretched when compared against our other schemes previously approved by shareholders. The table below gives insight into the overall weighting and underlying performance conditions (assuming an on-target outcome) for top executives under the existing long-term incentive framework:

Long-term scheme	Weighting	Allocation price methodology	Performance condition
RESIS/Full Value Phantom	25%*	Number of instruments allocated are determined based on the participation % of guaranteed remuneration divided by 10-day VWAP Market Value at time of allocation	- Share Price growth (RESIS only); - ROCE > WACC (ROCE > 1,25 X WACC for Full Value Phantom); - Cash generated > 75% of EBITDA (Full Value Phantom only); - Achievement of individual performance conditions; - Remain in employ of company
OPP	38%	Number of instruments allocated are determined based on the participation % of guaranteed remuneration divided by 30-day VWAP Market Value at time of allocation	- Tiered vesting based on TSR performance against peer set (zero vesting if below 50th percentile); - Achievement of individual performance conditions; - Remain in employ of company
DBSP	37%	Number of instruments allocated are determined based on the participation % of guaranteed remuneration divided by 10-day VWAP Market Value at time of allocation	- Subject to bonus target achievement (both financial and non-financial); - Achievement of individual performance conditions; - Remain in employ of company

* Combined weighting across the RESIS and Full Value Phantom scheme remains in line with benchmark due to the full value awards being in substitution to RESIS.

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.

REMUNERATION REPORT continued

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 (up to 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:<table><tr><th>TSR performance</th><th>Vesting multiple</th></tr><tr><td>0</td><td>0,0x</td></tr><tr><td>10</td><td>0,0x</td></tr><tr><td>20</td><td>0,0x</td></tr><tr><td>30</td><td>0,0x</td></tr><tr><td>40</td><td>0,0x</td></tr><tr><td>50</td><td>0,9x</td></tr><tr><td>60</td><td>1,2x</td></tr><tr><td>70</td><td>1,8x</td></tr><tr><td>80</td><td>2,4x</td></tr><tr><td>90</td><td>3,0x</td></tr><tr><td>100</td><td>3,6x</td></tr></table> • Zero vesting below 50% TSR performance	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	Three years from grant date	On the vesting date
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																												

* The peer group for the OPP allocation vesting in October 2025 is Shoprite, Remgro, Pepkor, Bidvest, Clicks, Woolworths, Mr Price, Foschini, Distell, Pick n Pay, Tiger Brands, Dis-Chem, Spar, Truworths, Motus, Barloworld, KAP Industrial, Omnia, Data Tec, AECl, Massmart, Adcock Ingram, Reunert, Astral Foods, Oceana, Famous Brands, Cashbuild, Libstar, RFG Holdings, and Zeder Investments

REMUNERATION REPORT continued

Scheme name and nature	Participants	Allocation method	Performance conditions	Vesting period	Exercise period
5. 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, 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 Limited 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
6. 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, 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 $\geq$ 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 $\geq$ 65% I&J – - three-year average return on capital employed (ROCE) for the three full audited financial years immediately preceding the vesting date $\geq$ 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 $\geq$ AVI's required risk-free return on capital employed	Three years from grant date	On the vesting date

Scheme name and nature	Participants	Allocation method	Performance conditions	Vesting period	Exercise period
7. 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

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	Authorised number as % of total issued share capital*	Remaining authorised but not issued number	Remaining authorised but not issued number as % of total issued share capital*
Revised AVI Limited Executive Share Incentive Scheme (share appreciation rights plan)	5 213 369	1,5	4 837 708	1,4
AVI Limited Deferred Bonus Share Plan	4 819 747	1,4	4 819 747	1,4
AVI Limited Out-Performance Scheme	6 915 158	2,0	3 907 614	1,1
Total	16 948 274	4,9	13 565 069	3,9

* As at 30 June 2025.

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 2025, amounts to 340 146 466 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 2025 no individual participant holds shares and/or options equating to more than 1,0% 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.

REMUNERATION REPORT continued

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 F25 (being the executive Board members and management executives, as defined in the Companies Act), for the year under review:

Executive directors

Executive directors	F25							Total F24 R'000
	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 F25 R'000
SL Crutchley	15 937	28 534	1 251	41 968	2 814	–	–	90 504
JC O'Meara	6 201	6 879	573	3 176	175	–	–	17 004
M Koursaris	7 735	9 847	963	22 567	54	–	–	41 166

* Gains on exercise of share incentive instruments represent the actual gain received by the director on exercising vested share incentive instruments. The gain may include the benefit of options exercised across numerous tranches and schemes with awards taking place over a number of years.

** 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 F24 (paid in September 2024) were determined as follows:

Name	F24 target bonus percentage of total cost to company at 1,00 x financial factor %	Percentage of F24 salary %	Actual F23 bonus			
			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	179	84	16	2,50 x	98
JC O'Meara	55	124	83	17	2,50 x	100
M Koursaris	55	124	83	17	2,50 x	100

* 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 2025 (for F26) were as follows:

Name	Position	F25 salary R'000	F26 salary R'000	% change	Compa Ratio to Upper Quartile after Increase
SL Crutchley	CEO	17 496	18 983	8,5	0.82
JC O'Meara	CFO	6 948	7 643	10	0.67
M Koursaris	Business Development Director/ Acting Managing Director of National Brands Limited	8 753	9 496	8,5	0.87

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.

Executive director salaries are annually benchmarked against an appropriate peer group as there are no appropriate industry benchmarking reports available. This is a common approach amongst JSE listed companies for whom AVI is a peer. The appropriate peer group for benchmarking is chosen from the annually determined OPP peer group, which is approved by Remcom in October of each year. The peer group used for the F26 salary executive director salary benchmarking was Tiger Brands, Remgro, Pick n Pay, Bidvest, Foschini, Clicks, Dis-Chem, Premier Group, RFG Holdings, Libstar, Woolworths, and Truworths. Public remuneration data is used to create this bespoke internal survey. Together with this we obviously have to consider factors such as length of tenure, experience, skills, and individual performance. AVI is in the enviable position of having a CEO who has been with the Group in various executive roles for approximately 30 years, and been Group CEO since 2005. In addition, the Business Development Director has been with the Group in excess of 20 years and the CFO for 15 years. The wealth of experience, knowledge, and understanding of the Group's business is invaluable and it is essential that AVI is competitive against the national market to ensure retention and appropriate reward. Remcom is comfortable that the CEO and other executive directors' salaries are appropriately benchmarked and that they are appropriately remunerated. Should any of these roles become vacant in future the commencement salaries of new appointees would similarly be determined based on peer benchmarks, and their individual experience and skills, and would not simply be based on the salaries paid to the current incumbents.

The expense for the year in respect of share options granted to executive directors, determined in accordance with IFRS 2 – *Share-Based Payments*, was R46,93 million (2024: R34,96 million).

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

REMUNERATION REPORT continued

The F25 emoluments of key management executives who report to the executive directors are as follows:

	F25							Total F24 R'000
	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	
Management executive 1	5 464	2 664	420	5 412	–	–	–	8 624
Management executive 2	3 636	4 357	462	6 098	100	–	–	7 662
Management executive 3**	2 598	–	224	44	94	–	–	–
Management executive 4	3 032	1 740	238	4 213	74	–	–	5 191
Management executive 5	3 746	2 350	376	6 322	173	–	–	8 376
Management executive 6	3 336	1 345	373	5 426	71	–	–	7 522

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

** This employee joined the Company on 1 September 2024 and consequently the figures are reflective of a period of less than 12 months.

Bonus and performance-related payments for key management executives for F24 (paid in September 2024) were determined as follows:

	F24 target bonus		Actual F24 bonus				
	percentage of total cost to company at 1,00 x financial factor	Percentage of F24 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	48	70	30	1,20 x	95	
Management executive 2	50	113	83	17	2,50 x	100	
Management executive 3**	–	–	–	–	–	–	
Management executive 4	50	56	52	48	1,45 x	90	
Management executive 5	50	59	49	51	1,45 x	100	
Management executive 6	35	38	53	47	1,45 x	85	

* 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.

** Not applicable for F24 bonuses as date of commencement of employment was 1 September 2024.

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 2024. The short-term incentive for the financial year 2024 operated in line with the policy and was paid out during September 2024.

Measure	Weighting %	Target** R'm	Financial factor multiple bands applicable to target*					
		% of target	% of target	% of target	% of target	% of target	% of target	% of target
Financial target – reported EBIT before financial bonus cost	75%	2 661,8	>4% below target	<4% below target	on target	>3% above target	>6% above target	>8% above target
EBIT threshold targets for each band								
Minimum EBIT target				2 559,4	2 661,8	2 738,6	2 815,4	2 866,6
Maximum EBIT target			2 559,3	2 661,7	2 738,5	2 815,3	2 866,5	
Financial factor applicable to band			–	0,50	1,00	1,50	2,00	2,50

	Weighting	Actual**	Performance relative to target	Financial multiple achieved
Financial target – reported EBIT before financial bonus cost	75%	3 168,0	119%	2,50
Adjustments applied in respect of strategic modifiers***		None		

* The financial factor multiple is applied in pre-determined bands based on the outcome compared to the target.

** The target and actual performances reflected above excluded I&J's earnings with Remcom believing it more appropriate to instead include a strategic modifier into the rules of the short term incentive scheme to incentive the commercial, timeous and viable review of I&J's long term business model and the implementation of any changes that arise as a result of that review. The application of the strategic modifier provided Remcom with the ability to amend the financial factor achievement on close out of the incentive scheme based on an evaluation and motivation of the achievement of the modifier.

*** Strategic modifiers take into consideration the achievement of specific projects (including the strategic review of I&J mentioned above), 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 tables reflect the status of unexercised options, share appreciation rights, and bonus shares held by executive management as at 30 June 2025:

Executive directors:

Name	Scheme	Options granted	Date granted	Vesting date	Issue price (R)	Allocation value (R)	Vesting multiple at 30 June 2025 (as applicable)	Price at 30 June 2025 (R)	Value at 30 June 2025 (R)
SL Crutchley	RESIS	392 674	1 April 2021	1 April 2024	73,85	28 998 975		94,13	7 963 429
	RESIS	450 295	1 April 2022	1 April 2025	69,23	31 173 923		94,13	11 212 346
	RESIS	498 092	1 April 2023	1 April 2026	66,48	33 113 156		94,13	13 772 244
	RESIS	308 219	1 April 2024	1 April 2027	91,54	28 214 367		94,13	798 287
	RESIS	457 497	1 April 2025	1 April 2028	89,87	41 115 255		94,13	1 948 937
	AVI OPP	118 861	1 October 2022	1 October 2025	72,99	8 675 664	1,8	94,13	20 139 095
	AVI OPP	128 962	1 October 2023	1 October 2026	74,00	9 543 188	0,9	94,13	10 925 274
	AVI OPP	100 100	1 October 2024	1 October 2027	104,87	10 497 487	0,0	94,13	–
	AVI DBSP	219 682	1 October 2022	1 October 2025	73,43	16 131 249		94,13	20 678 667
	AVI DBSP	159 194	1 June 2023	1 June 2026	63,58	10 121 555		94,13	14 984 931
	AVI DBSP	197 495	1 October 2023	1 October 2026	75,20	14 851 624		94,13	18 590 204
	AVI DBSP	181 641	1 October 2024	1 October 2027	108,00	19 617 228		94,13	17 097 867
252 053 672									138 111 280
JC O'Meara	RESIS	123 020	1 October 2022	1 October 2025	73,43	9 033 359		94,13	2 546 514
	RESIS	144 150	1 October 2023	1 October 2026	75,20	10 840 080		94,13	2 728 760
	RESIS	92 334	1 October 2024	1 October 2027	108,00	9 972 072		94,13	–
	AVI OPP	31 734	1 October 2022	1 October 2025	72,99	2 316 265	1,8	94,13	5 376 819
	AVI OPP	37 561	1 October 2023	1 October 2026	74,00	2 779 514	0,9	94,13	3 182 055
	AVI OPP	33 130	1 October 2024	1 October 2027	104,87	3 474 343	0,0	94,13	–
	AVI DBSP	28 433	1 October 2022	1 October 2025	73,43	2 087 835		94,13	2 676 398
	AVI DBSP	51 003	1 June 2023	1 June 2026	63,58	3 242 771		94,13	4 800 912
	AVI DBSP	47 542	1 October 2023	1 October 2026	75,20	3 575 158		94,13	4 475 128
	AVI DBSP	50 668	1 October 2024	1 October 2027	108,00	5 472 144		94,13	4 769 379
52 793 541									30 555 965
M Koursaris	RESIS	214 125	1 April 2023	1 April 2026	66,48	14 235 030		94,13	5 920 556
	RESIS	127 770	1 April 2024	1 April 2027	91,54	11 696 066		94,13	330 924
	RESIS	189 916	1 April 2025	1 April 2028	89,87	17 067 751		94,13	809 042
	AVI OPP	39 308	1 October 2022	1 October 2025	72,99	2 869 091	1,8	94,13	6 660 112
	AVI OPP	53 764	1 October 2023	1 October 2026	74,00	3 978 536	0,9	94,13	4 554 725
	AVI OPP	41 731	1 October 2024	1 October 2027	104,87	4 376 330	0,0	94,13	–
	AVI DBSP	60 718	1 October 2022	1 October 2025	73,43	4 458 523		94,13	5 715 385
	AVI DBSP	80 371	1 June 2023	1 June 2026	63,58	5 109 988		94,13	7 565 322
	AVI DBSP	68 050	1 October 2023	1 October 2026	75,20	5 117 360		94,13	6 405 547
	AVI DBSP	63 822	1 October 2024	1 October 2027	108,00	6 892 776		94,13	6 007 565
75 801 451									43 969 178

REMUNERATION REPORT continued

Key management executives who report to the executive directors

Name	Scheme	Options granted	Grant date	Vesting date	Issue price (R)	Allocation value (R)	Vesting multiple at 30 June 2025 (as applicable)	Price at 30 June 2025 (R)	Value at 30 June 2025 (R)
Management executive 1									
	RESIS	56 459	1 April 2023	1 April 2026	66,48	3 753 394		94,13	1 561 091
	RESIS	32 024	1 April 2024	1 April 2027	91,54	2 931 477		94,13	82 942
	RESIS	108 048	1 April 2025	1 April 2028	89,87	9 710 274		94,13	460 284
	AVI OPP	25 712	1 October 2022	1 October 2025	72,99	1 876 719	1,8	94,13	4 356 487
	AVI OPP	27 136	1 October 2023	1 October 2026	74,00	2 008 064	0,9	94,13	2 298 881
	AVI OPP	28 059	1 October 2024	1 October 2027	104,87	2 942 547	0,0	94,13	–
	AVI DBSP	5 751	1 October 2022	1 October 2025	73,43	422 296		94,13	541 342
	AVI DBSP	29 517	1 June 2023	1 June 2026	63,58	1 876 691		94,13	2 778 435
	AVI DBSP	15 396	1 October 2023	1 October 2026	75,20	1 157 779		94,13	1 449 225
	AVI DBSP	9 655	1 October 2024	1 October 2027	108,00	1 042 740		94,13	908 825
27 721 981									14 437 513
Management executive 2									
	RESIS	53 941	1 April 2023	1 April 2026	66,48	3 585 998		94,13	1 491 469
	RESIS	22 292	1 April 2024	1 April 2027	91,54	2 040 610		94,13	57 736
	RESIS	46 714	1 April 2025	1 April 2028	89,87	4 198 187		94,13	199 002
	AVI OPP	24 565	1 October 2022	1 October 2025	72,99	1 792 999	1,8	94,13	4 162 146
	AVI OPP	20 016	1 October 2024	1 October 2027	104,87	2 099 078	0,0	94,13	–
	AVI DBSP	16 317	1 October 2022	1 October 2025	73,43	1 198 157		94,13	1 535 919
	AVI DBSP	28 201	1 June 2023	1 June 2026	63,58	1 793 020		94,13	2 654 560
	AVI DBSP	14 195	1 October 2023	1 October 2026	75,20	1 067 464		94,13	1 336 175
	AVI DBSP	13 119	1 October 2024	1 October 2027	108,00	1 416 852		94,13	1 234 891
19 192 365									12 671 899
Management executive 3									
	RESIS	15 720	1 October 2024	1 October 2027	108,00	1 697 760		94,13	–
	AVI OPP	16 687	1 October 2024	1 October 2027	104,87	1 749 966	0,9	94,13	1 413 673
3 447 726									1 413 673
Management executive 4									
	RESIS	42 485	1 April 2023	1 April 2026	66,48	2 824 403		94,13	1 174 710
	RESIS	18 090	1 April 2024	1 April 2027	91,54	1 655 959		94,13	46 853
	RESIS	36 990	1 April 2025	1 April 2028	89,87	3 324 291		94,13	157 577
	AVI OPP	19 348	1 October 2022	1 October 2025	72,99	1 412 211	1,8	94,13	3 278 209
	AVI OPP	20 992	1 October 2023	1 October 2026	74,00	1 553 408	0,9	94,13	1 778 379
	AVI OPP	15 850	1 October 2024	1 October 2027	104,87	1 662 190	0,0	94,13	–
	AVI DBSP	5 527	1 October 2022	1 October 2025	73,43	405 848		94,13	520 257
	AVI DBSP	22 211	1 June 2023	1 June 2026	63,58	1 412 175		94,13	2 090 721
	AVI DBSP	6 433	1 October 2023	1 October 2026	75,20	483 762		94,13	605 538
	AVI DBSP	5 162	1 October 2024	1 October 2027	108,00	557 496		94,13	485 899
15 291 741									10 138 144
Management executive 5									
	RESIS	49 879	1 April 2022	1 April 2025	69,23	3 453 123		94,13	1 241 987
	RESIS	56 098	1 April 2023	1 April 2026	66,48	3 729 395		94,13	1 551 110
	RESIS	23 235	1 April 2024	1 April 2027	91,54	2 126 932		94,13	60 179
	RESIS	47 511	1 April 2025	1 April 2028	89,87	4 269 814		94,13	202 397
	AVI OPP	25 547	1 October 2022	1 October 2025	72,99	1 864 676	1,8	94,13	4 328 530
	AVI OPP	26 963	1 October 2023	1 October 2026	74,00	1 995 262	0,9	94,13	2 284 224
	AVI OPP	20 358	1 October 2024	1 October 2027	104,87	2 134 943	0,0	94,13	–
	AVI DBSP	7 527	1 October 2022	1 October 2025	73,43	552 708		94,13	708 517
	AVI DBSP	29 328	1 June 2023	1 June 2026	63,58	1 864 674		94,13	2 760 645
	AVI DBSP	8 501	1 October 2023	1 October 2026	75,20	639 275		94,13	800 199
	AVI DBSP	6 986	1 October 2024	1 October 2027	108,00	754 488		94,13	657 592
23 385 290									14 595 380

Name	Scheme	Options granted	Grant date	Vesting date	Issue price (R)	Allocation value (R)	Vesting multiple at 30 June 2025 (as applicable)	Price at 30 June 2025 (R)	Value at 30 June 2025 (R)
Management executive 6									
	RESIS	49 652	1 April 2023	1 April 2026	66,48	3 300 865		94,13	1 372 878
	RESIS	20 607	1 April 2024	1 April 2027	91,54	1 886 365		94,13	53 372
	RESIS	41 953	1 April 2025	1 April 2028	89,87	3 770 316		94,13	178 720
	AVI OPP	22 612	1 October 2022	1 October 2025	72,99	1 650 450	1,8	94,13	3 831 242
	AVI OPP	23 864	1 October 2023	1 October 2026	74,00	1 765 936	0,9	94,13	2 021 686
	AVI OPP	17 976	1 October 2024	1 October 2027	104,87	1 885 143	0,0	94,13	–
	AVI DBSP	6 379	1 October 2022	1 October 2025	73,43	468 410		94,13	600 455
	AVI DBSP	20 767	1 June 2023	1 June 2026	63,58	1 320 366		94,13	1 954 798
	AVI DBSP	7 313	1 October 2023	1 October 2026	75,20	549 938		94,13	688 373
	AVI DBSP	5 697	1 October 2024	1 October 2027	108,00	615 276		94,13	536 259
17 213 064									11 237 782

Key:

RESIS – Revised AVI Limited Executive Share Incentive Scheme

AVI OPP – AVI Limited Out-Performance Scheme

AVI DBSP – AVI Limited Deferred Bonus Share Plan

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:

	2025 R'000	2024 R'000
Salary and other benefits and allowances	123 847	122 286
Bonuses and performance-related payments	88 097	76 871
Pension fund contributions	9 864	9 372
Gains on exercise of share instruments	122 982	18 148
Sub-total	344 790	226 677
Termination benefits*	6 276	15 442
Gains on early exercise of share instruments owing to termination*	29 462	3 265
Total	380 528	245 384

* Arising from resignations and agreed terminations other than retrenchments.

REMUNERATION REPORT continued

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 2024	1 October 2027	108,00	274 686
	1 April 2025	1 April 2028	89,87	1 008 842
AVI OPP	1 October 2024	1 October 2027	104,87	413 635
AVI DBSP	1 October 2024	1 October 2027	108,00	531 826
Snackworks Phantom	1 October 2024	1 October 2027	5 408,62	2 068
	1 April 2025	1 April 2028	4 637,09	569
Entyce Beverages Phantom	1 October 2024	1 October 2027	5 475,93	1 715
	1 April 2025	1 April 2028	4 694,66	415
Indigo Brands Phantom	1 October 2024	1 October 2027	2 797,45	2 393
	1 April 2025	1 April 2028	2 398,59	824
I&J Phantom	1 April 2025	1 April 2028	7,55	1 844 315
Spitz Phantom	1 October 2024	1 October 2027	365,63	10 709
	1 April 2025	1 April 2028	313,50	29 006
Ciro Phantom	1 April 2025	1 April 2028	287,40	3 614
AVI FV*	1 October 2024	1 October 2027	108,00	53 082
	1 April 2025	1 April 2028	89,87	49 251
Snackworks FV*	1 October 2024	1 October 2027	5 406,62	515
	1 April 2025	1 April 2028	4 637,98	268
Entyce Beverages FV*	1 October 2024	1 October 2027	5 475,93	309
	1 April 2025	1 April 2028	4 694,66	251
Indigo Brands FV*	1 October 2024	1 October 2027	2 797,45	57
	1 April 2025	1 April 2028	2 398,59	495
I&J FV*	1 April 2025	1 April 2028	7,55	576 778
Spitz FV*	1 October 2024	1 October 2027	365,63	438
	1 April 2025	1 April 2028	313,50	4 277
Ciro FV*	1 April 2025	1 April 2028	287,40	2 168

* 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 Limited Executive Share Incentive Scheme

AVI OPP – AVI Limited Out-Performance Scheme

AVI DBSP – AVI Limited 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 2021	1 October 2024	86,04	104,15*	18,11
	1 April 2022	1 April 2025	69,23	91,13*	21,90
AVI OPP**	1 October 2021	1 October 2024	79,98	110,00	30,03
AVI DBSP	1 October 2021	1 October 2024	86,04	110,00	23,96
Snackworks Phantom	1 October 2021	1 October 2024	3 637,51	5 403,48	1 765,97
	1 April 2022	1 April 2025	2 937,90	4 633,06	1 695,16
Entyce Beverages Phantom	1 October 2021	1 October 2024	3 870,30	5 481,07	1 610,77
	1 April 2022	1 April 2025	3 125,92	4 699,58	1 573,66
Indigo Brands Phantom	1 October 2021	1 October 2024	2 343,88	3 341,73	997,85
	1 April 2022	1 April 2025	1 893,08	2 865,27	972,19
I&J Phantom	1 April 2022	1 April 2025	11,43	6,64	(4,79)
Spitz Phantom	1 October 2021	1 October 2024	233,85	324,53	90,68
	1 April 2022	1 April 2025	188,87	278,84	89,97
Ciro Phantom	1 April 2022	1 April 2025	170,68	440,94	270,26

* Represents the average price for all options exercised on vesting.

** The OPP tranche which vested in October 2024 achieved a vesting multiple of 1,8x (Prior year was 0,0x) based on the achievement of a TSR performance threshold in the 70th percentile.

Key:

RESIS – Revised AVI Limited Executive Share Incentive Scheme
 AVI OPP – AVI Limited Out-Performance Scheme
 AVI DBSP – AVI Limited 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 2024 shareholders approved the fees payable to non-executive directors for their services to the Board and other Board committees, except for the members of the Audit and Risk Committee, for the 2025 financial year as follows:

Chairman of the Board	R1 659 359
Resident non-executive directors	R520 020
Chairman of the Audit and Risk Committee	R359 101
Chairman of the Remuneration, Nomination, and Appointments Committee	R332 001
Members of the Remuneration, Nomination, and Appointments Committee	R152 450
Chairman of the Social and Ethics Committee	R167 560
Members of the Social and Ethics Committee	R112 304
Foreign Chairman of the Board	£107 000
Foreign member of the Audit and Risk Committee	£11 235
Foreign member of the Remuneration, Nomination, and Appointments Committee	£7 490
Foreign member of the Social and Ethics Committee	£6 955

The increase proposed for the members of the Audit and Risk Committee was not approved by shareholders and their fees for the 2025 financial year remained as follows:

Members of the Audit and Risk Committee	R156 598
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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.





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

These consolidated annual financial statements for the year ended 30 June 2025 were published on Monday, 8 September 2025.

The annual financial statements of the Company are presented separately from the consolidated annual financial statements and were approved by the directors on 5 September 2025, 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 and its subsidiaries ("the Group"), comprising the balance sheet as at 30 June 2025 and the statements of comprehensive income, cash flows and changes in equity 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 No. 71 of 2008, as amended ("the Companies Act"), 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 Group's ability to continue as a going concern and have no reason to believe that it will not be a going concern 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 124 to 198, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards;
- (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

5 September 2025

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 124 to 131 and 138 to 198, were authorised for issue by the Board of directors on 5 September 2025 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 2025, 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.



VA CRYSTAL
Company Secretary
Illovo, Johannesburg

5 September 2025

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 155.

Revenue and operating profit before capital items were as follows:

	2025 R'm	2024 R'm
Revenue	16 021,5	15 862,3
Operating profit before capital items	3 561,9	3 304,6

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 2025 of R2 429,7 million (2024: R2 257,7 million) and as of that date, its total assets exceeded its total liabilities by R5 346,9 million (2024: R5 784,9 million).

The trading environment remains particularly challenging, exacerbated by the government's inability to deliver structural reforms required for sustainable economic recovery. Key macroeconomic pressures include elevated unemployment, declining real disposable income, and the continued erosion of South Africa's middle class; many of whom are core consumers of the Group's brands. In addition, the increasing deterioration of municipal infrastructure in critical areas where the Group operates has raised the cost and complexity of maintaining baseline operations.

Despite these conditions, the Group remains committed to protecting volumes, sustaining margin positions, and optimising returns. A number of restructuring and efficiency initiatives have been implemented in 2025 to address the cost and complexity of the Group's operating model, with benefits expected to flow through in the upcoming financial year.

As part of preparing the financial results, the Group has performed a detailed going concern assessment. This assessment is based on the approved budget for the 2026 financial year and includes profitability, solvency and liquidity forecasts. The budget was set against a backdrop of weak macroeconomic growth, rising competitive intensity, and operational risks linked to infrastructure and regulatory shortcomings. Notwithstanding these challenges, the base case budget demonstrates continued capital stability, liquidity adequacy and value creation for shareholders.

A downside scenario was also considered, reflecting persistent inflation, further deterioration in public infrastructure, lower-than-expected consumer demand, and the potential impact of aggressive discounting by competitors. The scenario also accounted for volatile currency movements and the consideration of lower catch rates in the I&J division. Even under this scenario, the Group remains solvent and liquid, with no material uncertainty arising that casts doubt on its ability to continue as a going concern.

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.

Umsobomvu joint venture

I&J Limited currently holds a 50% interest in the Umsobomvu joint venture which was engaged in the procurement and selling of squid and operated principally in South Africa on five squid vessels.

In line with I&J's objective to simplify and focus on core operations, 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 for a total purchase consideration of R53,3 million. The agreement was dependent on certain suspensive conditions being met, most notably the approval of the transfer of the fishing rights by the Department of Forestry, Fisheries and Environment ("DFFE"). The suspensive conditions and completion actions were finalised during July 2024, with funds being paid to the joint venture, and consequently the sale transaction has been recognised resulting in a capital profit after taxation of R12,6 million.

During August 2024 and June 2025, dividends were declared and paid to the shareholders, of which I&J Limited received R20,5 million and R2,5 million, respectively.

Share capital

Details of the Company's authorised and issued share capital are given in Note 11 to the financial statements, on page 167.

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 167.

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 11 November 2025.

Dividends

Dividends, paid and proposed, are disclosed in Note 30 to the financial statements on page 176.

Directorate

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

In line with the requirements of the Companies Amendment Act, No. 16 of 2024, the composition of the Social and Ethics Committee was reviewed during the year. In compliance with the amended provision requiring a majority of the members be non-executive directors:

Mr SL Crutchley and Mr JC O'Meara resigned from the Social and Ethics Committee with effect from 16 January 2025.

Mr MJ Watters and Ms MR Mouyeme were appointed to the Social and Ethics Committee with effect from 16 January 2025.

In terms of the Company's Memorandum of Incorporation, Mr SG Robinson, Mr M Koursaris and Ms MR Mouyeme 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.

In terms of the Companies Act, the appointments of Mrs A Muller (Chair), Mr MJ Watters and Ms MR Mouyeme to the Social and Ethics 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.

DIRECTORS' REPORT continued

Share schemes

Particulars of the Group's various share incentive schemes are set out in Note 32, on page 178 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 2025 and 30 June 2024, are as follows:

	Direct number	Beneficial indirect number	% of total
At 30 June 2025			
SL Crutchley	900 000	–	0,26
JC O'Meara	5 932	–	0,00
M Koursaris	145 836	–	0,04
MJ Watters	500	–	0,00
Total	1 052 268	–	0,30
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	500	–	0,00
Total	990 043	–	0,29

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

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 2025, according to the information available to the directors, were:

	Number of ordinary shares	%
Government Employees Pension Fund	70 369 315	20,7
Vanguard Investment Management	12 947 600	3,8
Old Mutual Group	12 891 610	3,8

Special resolutions passed by the Company

The following special resolutions have been passed by the Company since the previous directors' report dated 6 September 2024 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 Chairman of the Board, should the chairman be a 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, 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.
- To authorise the Company, 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.

Post-reporting date events

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

DIRECTORS' REMUNERATION REPORT

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 2024 number	Awarded number	Exercised number	Relinquished ¹ number	Instruments outstanding at 30 June 2025 number
SL Crutchley	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	498 092	–	–	–	498 092
	1 April 2024	91,54	408 319	–	–	(100 100)	308 219
	1 April 2025	89,87	–	457 497	–	–	457 497
JC O'Meara	1 October 2022	73,43	123 020	–	–	–	123 020
	1 October 2023	75,20	144 150	–	–	–	144 150
	1 October 2024	108,00	–	125 464	–	(33 130)	92 334
M Koursaris	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	–	–	(41 731)	127 770
	1 April 2025	89,87	–	189 916	–	–	189 916
			3 170 121	772 877	(769 945)	(174 961)	2 998 092

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 2024 number	Awarded number	Exercised number	Forfeited number	Instruments outstanding at 30 June 2025 number
SL Crutchley	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
	1 October 2024	104,87	–	100 100	–	–	100 100
JC O'Meara	1 October 2022	72,99	31 734	–	–	–	31 734
	1 October 2023	74,00	37 561	–	–	–	37 561
	1 October 2024	104,87	–	33 130	–	–	33 130
M Koursaris	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
	1 October 2024	104,87	–	41 731	–	–	41 731
			542 616	174 961	(132 426)	–	585 151

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

The AVI Limited Deferred Bonus Share Plan

Name	Date of award	Award price per instrument R	Instruments outstanding at 30 June 2024 number	Awarded number	Exercised number	Forfeited number	Instruments outstanding at 30 June 2025 number
SL Crutchley	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
	1 October 2024	108,00	–	181 641	–	–	181 641
JC O'Meara	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
	1 October 2024	108,00	–	50 668	–	–	50 668
M Koursaris	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
	1 October 2024	108,00	–	63 822	–	–	63 822
			1 022 978	296 131	(110 490)	–	1 208 619

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 2024 number	Awarded number	Exercised number	Relinquished number	Instruments outstanding at 30 June 2025 number
JC O'Meara	1 October 2020	3 824,15	411	–	(411)	–	–
	1 October 2020	3 532,75	389	–	(389)	–	–
	1 October 2021	3 637,51	312	–	(312)	–	–
			1 112	–	(1 112)	–	–

Senior management who do not participate in the Revised AVI Limited Executive Share Incentive Scheme, 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.

DIRECTORS' REMUNERATION REPORT continued

Emoluments

	2025						2024
	Salary R'000	Bonus and performance- related payments R'000	Pension fund contributions R'000	Gains on exercise of share incentive instruments*	Other benefits and allowances R'000	Total R'000	R'000
Executive directors							
SL Crutchley	15 937	28 534	1 251	41 968	2 814	90 504	41 639
JC O'Meara	6 201	6 879	573	3 176	175	17 004	10 890
M Koursaris	7 736	9 847	963	22 567	54	41 167	15 934
	29 874	45 260	2 787	67 711	3 043	148 675	68 463

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

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

	2025 R'000	2024 R'000
Non-executive directors' and committee fees		
MJ Watters (Chairman) ¹	3 298	3 071
JR Hersov ²	–	2
SG Robinson	879	822
A Muller	971	919
AM Thebyane ³	–	585
MR Mouyeme ⁴	841	694
VA Davies ⁵	852	179
Total non-executive directors' and committee fees	6 841	6 272
Total directors' emoluments	155 516	74 735

Details relating to the Group's remuneration practices are set out in the Remuneration Report on pages 99 to 119.

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

	2025 R'000	2024 R'000
SL Crutchley	29 194	22 708
JC O'Meara	7 093	4 543
M Koursaris	10 642	7 705
	46 929	34 956

¹ Paid in UK Pounds.

² Resigned 3 July 2023.

³ Resigned 30 April 2024.

⁴ Appointed 1 August 2023.

⁵ Appointed 1 June 2024.

AUDIT COMMITTEE REPORT

The Audit Committee is pleased to present its report for the financial year ended 30 June 2025 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 Audit 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 Audit 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 2024; and
 - The annual financial statements for the year ended 30 June 2025.
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 2025 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 2025 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 the JSE Listings Requirements.
16. Recommended to the Board the re-appointment of Ernst & Young Inc. as the external auditors and appointment of Mr D Engelbrecht as the registered auditor responsible for the audit for the year ending 30 June 2026, 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 pages 89 and 90.

On behalf of the Audit Committee



SG ROBINSON
Audit Committee Chairman

5 September 2025

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 128 to 130 and 138 to 195, which comprise the directors' remuneration report, the segment reporting, the consolidated balance sheet as at 30 June 2025, 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 2025, 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.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 ("EAR Rule") we report:

Final Materiality

The ISAs recognise that:

- misstatements, including omissions, are considered to be material if the misstatements, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements;
- judgements about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and
- judgements about matters that are material to users of the financial statements consider users as a group rather than as specific individual users, whose needs may vary greatly.

The amount we set as materiality represents a quantitative threshold used to evaluate the effect of misstatements to the financial statements as a whole based on our professional judgment. Qualitative factors are also considered in making final determinations regarding what is material to the financial statements.

Final Materiality

We determined final materiality for the Group to be R167,3 million, which is based on 5% of profit before tax. We have identified profit before tax as the most appropriate basis as we typically believe that profit companies are evaluated by users on their ability to generate earnings.

Group Audit Scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each component within the Group. Taken together, this enables us to form an opinion on the consolidated annual financial statements. We take into account the size and risk profile of the components in the Group. In addition, we further consider the organisation of the Group and effectiveness of Group wide controls, changes in the business environment, and other factors such as our experience in prior years and recent internal audit results when assessing the level of work to be performed at each component of the Group. Our process focuses on identifying and assessing the risk of material misstatements of the consolidated annual financial statements as a whole including, with respect to the consolidation process.

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors under our instruction.

In selecting components, we perform risk assessment activities across the Group and its components to identify risks of material misstatement. We then identify how the nature and size of the account balances at the components contribute to those risks and thus determine which account balances require an audit response. We then consider for each component the degree of risk identified (whether pervasive or not) and the number of accounts requiring audit responses to assign either a full or specific scope (including specified procedures) to each component. We involved component auditors in this risk assessment process.

In our assessment of the residual account balances not covered by the audit procedures, we considered whether these could give rise to a risk of material misstatement of the consolidated annual financial statements. This assessment included performing overall analytical procedures at Group level.

Of the four components selected, we identified:

- Four components ("full scope components") which were selected based on the pervasiveness of risk in those components and for which we therefore performed procedures on what we considered to be the entire financial information of the component.

At Group level we also tested the consolidation process as well as share-based payment accounting including recharges, impairment valuation models for the valuation of intangible assets across the Group, post-retirement medical aid liabilities valuation as well as cash flow hedge accounting which were tested centrally by the primary team.

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.

INDEPENDENT AUDITOR'S REPORT continued

Key Audit Matters continued

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

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. Judgement is applied by management in determining the recoverable amount for each cash-generating unit based on the value-in-use. Given the number of stores and locations in which the Group operates, the assessment required significant judgement concerning future trading profits, discount rates and growth rates applied within discounted cashflow models. During the current year, certain macroeconomic 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 obtained management's impairment assessment for each cash generating unit; • 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 practises 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.

Key Audit Matters continued

Key Observations:

Based on the procedures performed over Impairment assessment of intangible assets and goodwill, we did not identify any significant matters requiring further consideration in concluding on our procedures.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 204-page document titled "AVI 2025 Integrated Annual Report", which includes the Directors' report, the Audit Committee report and the Certificate of the company secretary as required by the Companies Act of South Africa, and the Directors responsibility and approval; and in the 36-page document titled "AVI 2025 Company Annual Financial Statements", which include Directors' report, the Audit Committee 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 "AVI 2025 Integrated Annual Report", which is made available to us after that date. The other information does not include the consolidated annual financial statements or the separate annual financial statements and our auditor's report 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.

INDEPENDENT AUDITOR'S REPORT continued

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated annual financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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 eight years.

Ernst & Young Inc.

ERNST & YOUNG INC.

DIRECTOR – ALLISTER CARSHAGEN

Registered Auditor

Chartered Accountant (SA)

102 Rivonia Road

Sandton

5 September 2025

SEGMENT REPORTING

	Food & beverage brands					
	National Brands					
	Entyce Beverages		Snackworks		Total	
	2025 R'm	2024 R'm	2025 R'm	2024 R'm	2025 R'm	2024 R'm
Revenue	5 298,4	5 025,4	5 611,8	5 597,9	10 910,2	10 623,3
Total segment revenue	5 298,4	5 025,4	5 611,8	5 597,9	10 910,2	10 623,3
Intersegment revenue	–	–	–	–	–	–
Revenue from contracts with customers	5 298,4	5 025,4	5 611,8	5 597,9	10 910,2	10 623,3
Cost of sales [#]	(2 835,5)	(2 927,9)	(3 377,4)	(3 356,1)	(6 212,9)	(6 284,0)
Selling and administrative expenses, including other income [#]	(847,0)	(797,4)	(940,0)	(970,9)	(1 787,0)	(1 768,3)
Segment operating profit/(loss) before capital items	1 615,9	1 300,1	1 294,4	1 270,9	2 910,3	2 571,0
Share of equity-accounted losses of joint ventures	–	–	–	–	–	–
Income from investments					3,6	4,9
Finance costs					(242,5)	(202,3)
Taxation					(736,0)	(650,3)
Segment profit/(loss) before capital items					1 935,4	1 723,3
Capital items (after tax)						
Profit for the year						
Segment assets					5 005,7	4 832,7
Segment liabilities					3 583,3	3 462,0
Additions to property, plant and equipment					272,5	330,4
Depreciation and amortisation					245,4	219,6
Depreciation on property, plant and equipment					217,1	193,5
Depreciation on right-of-use assets					20,3	18,9
Amortisation					8,0	7,2
Impairment losses					–	(0,2)
Employee metrics						
Employment costs (included in both cost of sales and selling and administrative expenses)**					1 185,8	1 197,4
Number of employees at year end					2 586	2 410

[#] The segment information for the 2025 and 2024 financial years have been re-presented in light of the guidance provided by the IFRS Interpretation Committee's (IFRIC) final agenda decision relating to the IFRS 8 – Operating Segments on the disclosure of income and expense line items for reportable segments. The Group has elected to provide additional disclosure in light of the IFRIC agenda decision.

^{*} Includes AVI Field Marketing Services. Costs attributable to AVI Field Marketing Services have been allocated to the appropriate segments.

^{**} Employment costs include the following: short-term employment benefits, termination benefits, retirement benefits, post-retirement benefits, share-based payments and long-term earnings-linked performance bonuses.

Fashion brands

I&J		Personal Care		Footwear & Apparel		Corporate & consolidation		Total	
2025 R'm	2024 R'm	2025 R'm	2024 R'm	2025 R'm	2024 R'm	2025 R'm	2024 R'm	2025 R'm	2024 R'm
2 567,8	2 459,2	924,3	1 022,5	1 619,2	1 757,3	–	–	16 021,5	15 862,3
2 567,8	2 459,2	924,3	1 022,5	1 619,2	1 757,3	175,0	179,9	16 196,5	16 042,2
–	–	–	–	–	–	(175,0)	(179,9)	(175,0)	(179,9)
2 567,8	2 459,2	924,3	1 022,5	1 619,2	1 757,3	–	–	16 021,5	15 862,3
(1 889,3)	(1 803,3)	(419,8)	(444,2)	(662,0)	(717,4)	–	–	(9 184,0)	(9 248,9)
(437,7)	(456,2)	(347,8)	(358,3)	(693,5)	(699,1)	(9,6)	(26,9)	(3 275,6)	(3 308,8)
240,8	199,7	156,7	220,0	263,7	340,8	(9,6)	(26,9)	3 561,9	3 304,6
(0,3)	(3,2)	–	–	–	–	–	–	(0,3)	(3,2)
3,1	3,5	0,1	0,1	2,7	1,9	0,6	4,4	10,1	14,8
(7,3)	(12,4)	(0,4)	(0,1)	(27,9)	(27,8)	41,3	43,3	(236,8)	(199,3)
(65,8)	(59,4)	(24,2)	(40,3)	(50,8)	(67,1)	(39,9)	(27,1)	(916,7)	(844,2)
170,5	128,2	132,2	179,7	187,7	247,8	(7,6)	(6,3)	2 418,2	2 272,7
								11,5	(15,0)
								2 429,7	2 257,7
2 886,1	2 961,1	871,7	909,2	1 254,2	1 913,0	479,5	(306,3)	10 497,2	10 309,7
1 001,6	944,2	573,5	584,4	1 304,3	1 304,8	(1 312,4)	(1 770,6)	5 150,3	4 524,8
246,0	83,7	46,2	15,9	40,3	45,2	(4,0)	1,3	601,0	476,5
160,2	143,9	14,3	13,8	163,6	163,6	3,8	6,9	587,3	547,8
139,8	122,9	12,7	12,3	41,1	38,4	3,8	7,0	414,5	374,1
19,1	19,6	0,3	0,1	121,7	124,7	–	–	161,4	163,3
1,3	1,4	1,3	1,4	0,8	0,5	–	(0,1)	11,4	10,4
–	0,4	–	–	1,3	–	–	–	1,3	0,2
707,4	678,8	183,1	179,8	246,3	265,1	1 156,9*	1 110,6*	3 479,5	3 431,7
1 923	1 828	290	264	815	860	3 494*	3 575*	9 108	8 937

SEGMENT REPORTING continued

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 329,6 million in the current year and R4 246,2 million in the previous year) in the National Brands, I&J and Personal Care segments.

Segmental revenue by market	2025		2024	
	R'm	%	R'm	%
The Group's consolidated revenue by geographic market, regardless of where goods were produced, was as follows:				
South Africa	12 949,1	80,8	12 895,5	81,3
Other African countries	1 340,2	8,4	1 352,4	8,5
Europe	1 234,9	7,7	1 140,1	7,2
Rest of the world	497,3	3,1	474,3	3,0
Total segmental revenue	16 021,5	100,0	15 862,3	100,0
Analysis of non-current assets* by geographic area				
South Africa	4 764,8	98,7	4 599,7	98,6
Other African countries	57,7	1,2	62,5	1,3
Europe	2,5	0,1	6,8	0,1
Rest of the world	–	–	–	–
	4 825,0	100,0	4 669,0	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 2025 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 Limited 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 5 September 2025.

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 2024, applicable to the Group.

International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the Organization for Economic Co-operation and Development's (OECD) 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 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, the Group has assessed that there is no current tax impact and is not required to pay Pillar Two "top-up" taxes.

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 2025, 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.

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.

ACCOUNTING POLICIES continued

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.

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 to 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.

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.

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 share options and equivalent equity instruments granted to employees that have not yet met the accounting recognition criteria.

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.

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.

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.

ACCOUNTING POLICIES continued

Fair value measurement continued

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.

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.

Financial instruments continued

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.

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.

ACCOUNTING POLICIES continued

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).

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.

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.

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.

ACCOUNTING POLICIES continued

Leases continued

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 layby 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.

ACCOUNTING POLICIES continued

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-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.

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.

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.

BALANCE SHEET

as at 30 June 2025	Notes	2025 R'm	2024 R'm
ASSETS			
Non-current assets			
Property, plant and equipment	1	3 421,1	3 248,3
Right-of-use assets	2	463,5	466,9
Intangible assets and goodwill	3	940,3	943,0
Investments in joint ventures	4	0,1	10,8
Other long-term assets	5	22,5	21,7
Deferred taxation	6	58,6	71,2
		4 906,1	4 761,9
Current assets			
Inventories	7	2 784,3	2 698,6
Biological assets	8	343,0	356,4
Other financial assets including derivatives	16	13,7	63,1
Current tax assets	26	9,3	6,5
Trade and other receivables	9	2 146,3	2 070,3
Cash and cash equivalents	10	294,5	352,9
		5 591,1	5 547,8
Total assets		10 497,2	10 309,7
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		(106,6)	(106,6)
Reserves	12	461,9	354,2
Retained earnings		4 788,0	5 333,7
Total equity		5 346,9	5 784,9
Non-current liabilities			
Cash-settled share-based payment liabilities	32, 33	17,5	15,2
Lease liabilities	13	417,8	404,9
Employee benefit liabilities	14	300,0	334,8
Deferred taxation	6	388,0	394,9
		1 123,3	1 149,8
Current liabilities			
Current borrowings including short-term portion of lease liabilities	15	2 139,9	1 367,2
Other financial liabilities including derivatives	16	38,9	29,7
Trade and other payables	17	1 816,5	1 936,2
Current tax liabilities	26	31,7	41,9
		4 027,0	3 375,0
Total equity and liabilities		10 497,2	10 309,7

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2025	Notes	2025 R'm	2024 R'm
Revenue	18	16 021,5	15 862,3
Cost of sales		(9 184,0)	(9 248,9)
Gross profit		6 837,5	6 613,4
Selling and administrative expenses, including other income		(3 275,6)	(3 308,8)
Operating profit before capital items	19	3 561,9	3 304,6
Interest received	20	10,1	14,8
Finance costs	21	(236,8)	(199,3)
Share of equity-accounted losses of joint venture	22	(0,3)	(3,2)
Capital items	23	11,1	(20,7)
Profit before taxation		3 346,0	3 096,2
Taxation	24	(916,3)	(838,5)
Profit for the year		2 429,7	2 257,7
Other comprehensive loss, net of tax		(19,7)	(1,8)
Items that are or may subsequently be reclassified to profit or loss			
Foreign currency translation differences	12	(3,1)	(23,9)
Cash flow hedging reserve	12	(43,4)	47,5
Taxation on items that are or may subsequently be reclassified to profit or loss		11,7	(12,8)
Items that will never be reclassified to profit or loss			
Actuarial gain/(loss) recognised	12	20,7	(17,3)
Taxation on items that will never be reclassified to profit or loss		(5,6)	4,7
Total comprehensive income for the year		2 410,0	2 255,9
Profit attributable to:			
Owners of AVI		2 429,7	2 257,7
		2 429,7	2 257,7
Total comprehensive income attributable to:			
Owners of AVI		2 410,0	2 255,9
		2 410,0	2 255,9
Basic earnings per share (cents)	29	732,6	682,5
Diluted earnings per share (cents)	29	721,2	675,5

Details of the headline earnings and dividends declared per ordinary share are provided in Notes 29 and 30 to the financial statements, on pages 175 and 176.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2025	Notes	2025 R'm	2024 R'm
Cash flows from operating activities			
Cash generated by operations	25	3 985,8	3 778,3
Interest paid	21	(236,8)	(199,3)
Taxation paid	26	(892,4)	(910,2)
Net cash available from operating activities		2 856,6	2 668,8
Cash flows from investing activities			
Interest received	20	10,1	14,8
Acquisition of property, plant and equipment	1	(601,0)	(476,5)
Acquisition of intangible assets	3	(8,7)	(25,8)
Proceeds from disposals of property, plant and equipment		12,9	16,5
Other cash flows from/(to) investments	27	22,0	(1,3)
Net cash utilised in investing activities		(564,7)	(472,3)
Cash flows from financing activities			
Short-term funding raised/(repaid)	28	777,2	(471,9)
Lease liabilities repaid	28	(150,6)	(148,3)
Payment to I&J BBBEE shareholders		(0,6)	–
Ordinary dividends paid	30	(2 037,3)	(1 709,8)
Special dividend paid	30	(938,1)	–
Net cash utilised in financing activities		(2 349,4)	(2 330,0)
Decrease in cash and cash equivalents		(57,5)	(133,5)
Cash and cash equivalents at beginning of year		352,9	494,9
Net decrease as a result of the translation of the cash equivalents of foreign subsidiaries		(0,9)	(8,5)
Cash and cash equivalents at end of year	10	294,5	352,9

STATEMENT OF CHANGES IN EQUITY

		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
for the year ended 30 June 2025	Notes						
Balance at beginning of year		279,4	(75,8)	354,2	5 333,7	(106,6)	5 784,9
Total comprehensive income for the year							
Profit for the year		–	–	–	2 429,7	–	2 429,7
Other comprehensive loss							
Foreign currency translation differences		–	–	(3,1)	–	–	(3,1)
Actuarial gain recognised, net of tax		–	–	15,1	–	–	15,1
Cash flow hedging reserve, net of tax		–	–	(31,7)	–	–	(31,7)
<i>Total other comprehensive loss for the year</i>		–	–	(19,7)	–	–	(19,7)
Total comprehensive income for the year		–	–	(19,7)	2 429,7	–	2 410,0
Transactions with owners recorded directly in equity							
Contributions by and distributions to owners							
Share-based payments	32.3	–	–	102,4	–	–	102,4
Deferred taxation on Group share scheme recharge		–	–	25,0	–	–	25,0
Dividends paid	30	–	–	–	(2 975,4)	–	(2 975,4)
<i>Total contributions by and distributions to owners</i>		–	–	127,4	(2 975,4)	–	(2 848,0)
Balance at end of year		279,4	(75,8)	461,9	4 788,0	(106,6)	5 346,9

		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
for the year ended 30 June 2024	Notes						
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
<i>Total other comprehensive loss for the year</i>		–	–	(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
Deferred taxation on Group share scheme recharge		–	–	23,9	–	–	23,9
Dividends paid	30	–	–	–	(1 709,8)	–	(1 709,8)
<i>Total contributions by and distributions to owners</i>		–	–	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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2025

1. Property, plant and equipment

	Land R'm	Buildings R'm	Plant and machinery R'm	Vehicles, furniture and equipment R'm	Vessels R'm	Total R'm
2025						
Cost						
At beginning of year	86,6	922,8	3 640,0	1 274,9	1 200,5	7 124,8
Additions	–	63,4	181,7	140,6	215,3	601,0
Disposals	–	(0,1)	(41,8)	(87,9)	(18,2)	(148,0)
Effect of movement in exchange rates	–	–	(0,1)	(0,4)	–	(0,5)
At end of year	86,6	986,1	3 779,8	1 327,2	1 397,6	7 577,3
Accumulated depreciation and impairment losses						
At beginning of year	–	284,8	2 041,3	867,4	683,0	3 876,5
Disposals	–	(0,1)	(38,9)	(79,2)	(16,8)	(135,0)
Effect of movement in exchange rates	–	–	(0,1)	(0,2)	–	(0,3)
Depreciation	–	26,1	196,3	102,4	89,7	414,5
Impairment loss	–	–	–	0,5	–	0,5
At end of year	–	310,8	2 198,6	890,9	755,9	4 156,2
Net carrying value						
At beginning of previous year	86,6	630,1	1 511,6	400,0	555,9	3 184,2
At end of previous year	86,6	638,0	1 598,7	407,5	517,5	3 248,3
At end of current year	86,6	675,3	1 581,2	436,3	641,7	3 421,1
2024						
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
	2025 R'm	2024 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 150.
- 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 2025 was R143,4 million (2024: R184,4 million).
- Capital commitments, excluding capitalised interest, of R139,6 million (2024: R210,8 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 R0,5 million arose due to identified obsolescence of, damage to and underperformance of items of plant and machinery (2024: R0,2 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

	Retail stores and storerooms R'm	Other commercial and industrial sites R'm	Total R'm
2025			
Carrying value at 1 July 2024	244,2	222,7	466,9
Effect of movement in exchange rates	–	(0,5)	(0,5)
Additions for new leases and lease renewals	139,5	11,4	150,9
Impact of lease modifications and remeasurements	9,1	(0,7)	8,4
Depreciation	(117,9)	(43,5)	(161,4)
Impairment charge	(0,8)	–	(0,8)
Carrying value at 30 June 2025	274,1	189,4	463,5

	Retail stores and storerooms R'm	Other commercial and industrial sites R'm	Total R'm
2024			
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

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.

Impairment losses of R0,8 million arose relating to Green Cross retail store closures (2024: nil).

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2025

3. Intangible assets and goodwill

	Goodwill R'm	Fishing rights R'm	Trademarks R'm	Customer relationships and contracts R'm	Computer software R'm	Total R'm
2025						
Cost						
At beginning of year	489,2	8,4	874,1	1,1	243,1	1 615,9
Additions*	–	0,4	1,6	–	6,7	8,7
Disposals	–	–	(5,8)	–	(1,1)	(6,9)
Effect of movement in exchange rates	–	–	–	–	–	–
At end of year	489,2	8,8	869,9	1,1	248,7	1 617,7
Accumulated amortisation and impairment losses						
At beginning of year	12,2	1,4	446,9	1,1	211,3	672,9
Disposals	–	–	(5,8)	–	(1,1)	(6,9)
Effect of movement in exchange rates	–	–	–	–	–	–
Amortisation	–	0,6	3,2	–	7,6	11,4
At end of year	12,2	2,0	444,3	1,1	217,8	677,4
Net carrying value						
At beginning of previous year	477,0	7,1	424,2	–	19,4	927,7
At end of previous year	477,0	7,0	427,2	–	31,8	943,0
At end of current year	477,0	6,8	425,6	–	30,9	940,3

	Goodwill R'm	Fishing rights R'm	Trademarks R'm	Customer relationships and contracts R'm	Computer software R'm	Total R'm
2024						
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

* 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 considered to have indefinite useful lives as they relate to well-established brands that are expected to generate cash flows indefinitely. This assessment is supported by the strength and longevity of the brands, ongoing marketing support, and the absence of legal, regulatory or commercial factors limiting their useful life. A portion of trademarks, including certain brand and trademark registrations, with a net book value of R17,9 million (2024: R19,4 million), are assessed to have finite useful lives and are amortised over periods ranging 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	
	2025 R'm	2024 R'm	2025 R'm	2024 R'm	2025 R'm	2024 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	–	–	29,6	29,3	29,6	29,3
Lenthéric	–	–	41,8	43,0	41,8	43,0
Exclamation	–	–	120,6	120,7	120,6	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	–	–	43,9	44,5	43,9	44,5
	477,0	477,0	425,6	427,2	902,6	904,2

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 12,1% and 16,5% (2024: 12,9% and 17,3%) depending on the business' risk profile. Perpetuity growth rates were set at 5,0% (2024: at 5,5%). No impairment losses arose in the current year nor in the prior year.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2025

4. Investments in joint ventures

	2025 R'm	2024 R'm
Group carrying value of joint venture		
Share of post-acquisition reserves	0,1	10,8
Carrying value	0,1	10,8

The above investment relates to Irvin & Johnson Limited's squid fishing joint venture incorporated in Umsobomvu Fishing Proprietary Limited ("Umsobomvu").

In line with I&J's objective to simplify and focus on core operations, 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 for a total purchase consideration of R53,3 million. 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"). The suspensive conditions and completion actions were finalised during July 2024, with funds being paid to the joint venture, and consequently the sale transaction has been recognised resulting in a capital profit after taxation of R12,6 million.

During August 2024 and June 2025, dividends were declared and paid to the shareholders, of which I&J Limited received R20,5 million and R2,5 million, respectively.

5. Other long-term assets

	2025 R'm	2024 R'm
Contributions to Enterprise and Supplier Development initiatives	21,9	20,9
Operating lease straight-line assets	0,6	0,8
Total non-current other long-term assets	22,5	21,7

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

	2025 R'm	2024 R'm
Balance at beginning of year, being a net liability	323,7	370,0
Charge to profit or loss	36,8	(30,8)
– current year temporary differences	36,3	(27,6)
– prior year under/(over) provision	0,5	(3,2)
Effect of movement in exchange rates	–	0,3
Reserve movements in respect of actuarial gains/(losses) recognised directly in other comprehensive income	5,6	(4,7)
Reserve movements in respect of cash flow hedging recognised directly in other comprehensive income	(11,7)	12,8
Reserve movements in respect of Group share scheme recharge arrangements	(25,0)	(23,9)
Balance at end of year, being a net liability	329,4	323,7
Balance at end of year comprises:		
Accelerated capital allowances	468,3	475,3
Temporary differences on trademarks	63,9	59,1
Provisions and other temporary differences:	(119,3)	(144,1)
– post-retirement medical aid	(83,7)	(87,5)
– leave pay and bonus accruals	(79,0)	(122,1)
– other deductible temporary differences	43,4	65,5
Cash flow hedge reserve	(6,1)	5,6
Group share scheme recharge	(51,4)	(45,0)
Right-of-use assets and related lease liabilities	(23,6)	(20,5)
Unused tax losses	(2,4)	(6,7)
	329,4	323,7
Reflected as:		
Deferred taxation asset	58,6	71,2
Deferred taxation liability	388,0	394,9

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.

	2025 R'm	2024 R'm
The estimated losses which are available for the reduction of future taxable income	63,2	71,2
Less: Estimated losses taken into account in calculating deferred taxation	(9,0)	(24,8)
Shareholders' interest in the estimated tax losses not yet recognised	54,2	46,4

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.

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for the year ended 30 June 2025

7. Inventories

	2025 R'm	2024 R'm
Raw materials	854,9	764,9
Consumable stores	406,3	367,0
Work-in-progress	61,8	73,7
Manufactured finished goods	680,6	728,5
Merchandise – finished goods purchased for resale	780,7	764,5
	2 784,3	2 698,6

There were no material inventory write-offs in the current nor in the prior year.

8. Biological assets

Balance at beginning of year	356,4	348,2
Increase due to farming costs	125,9	124,7
Decreases due to harvest	(166,9)	(173,3)
Gains arising from change in fair value due to physical change	53,1	72,7
Gains arising from change in fair value due to price changes (including exchange rate movements)	(29,2)	(12,2)
Provisions utilised/(raised) against biological assets	3,7	(3,7)
Balance at end of year	343,0	356,4

	Kilograms	Kilograms
Standing volume	688 190	702 581
Volume harvested in current year	408 182	383 573

Biological assets comprise abalone farmed by I&J.

Measurement of fair value

The fair value measure for abalone of R343,0 million (2024: R356,4 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 based in USD, 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 grams 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	2025	2024
Exchange rate applied – ZAR:USD	R17,75	R18,19
Abalone USD market pricing ranges:		
– 30g to 150g	\$24,00 – \$43,00	\$25,50 – \$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:

	2025 R'm	2024 R'm
Currency		
– A 10% weakening of the ZAR to the USD	29,2	31,1
– A 10% strengthening of the ZAR to the USD	(29,2)	(31,1)
Market selling prices*		
– A 10% increase in USD market selling prices	31,3	35,1
– A 10% decrease in USD market selling prices	(31,3)	(35,1)
Biomass weight**		
– A 10% increase in the biomass weight	34,3	36,0
– A 10% decrease in the biomass weight	(34,3)	(36,0)

* 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.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2025

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

	2025 R'm	2024 R'm
Trade receivables	2 017,1	1 944,0
Indirect taxation	45,7	43,7
Prepayments	52,9	45,7
Other receivables	30,6	36,9
	2 146,3	2 070,3
The trade receivables balance is made up of:		
Gross trade debtors consideration	2 667,4	2 626,9
Allowances for credit notes, discounts and other trading terms	(645,9)	(678,3)
Impairment loss allowance	(4,4)	(4,6)
	2 017,1	1 944,0

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

	2025 R'm	2024 R'm
Bank balances (current accounts)	183,2	191,8
Controlled Foreign Currency (CFC) accounts	111,0	160,7
Petty cash	0,3	0,4
Total cash and cash equivalents	294,5	352,9

11. Share capital and premium

	2025 R'm	2024 R'm
Share capital		
Authorised		
Ordinary share capital		
960 000 000 (2024: 960 000 000) ordinary shares of 5 cents each	48,0	48,0
Total authorised share capital	48,0	48,0
Issued		
340 146 466 (2024: 338 965 477) 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)

	2025 Number	2024 Number
The number of ordinary shares in issue is as follows:		
Total issued shares	340 146 466	338 965 477
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)	(7 994 118)	(8 015 107)
	332 152 348	330 950 370

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2025

12. Reserves

	2025 R'm	2024 R'm
The balance at end of year comprises:		
Cash flow hedging reserve	(16,5)	15,2
Actuarial reserve	48,1	33,0
Foreign currency translation reserve	(53,7)	(50,6)
Share-based payment reserve	857,5	730,1
Share buy-back reserve	(373,5)	(373,5)
	461,9	354,2

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 is 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

	2025 R'm	2024 R'm
Lease liabilities	551,3	542,9
Less: portion repayable within one year included in current borrowings (Note 15)	(133,5)	(138,0)
Lease liabilities (Non-current portion)	417,8	404,9

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 9,39% and 10,88% (2024: 9,86% and 11,00%).

13. Lease liabilities continued

Total cash outflow for leases in the current period

	2025 R'm	2024 R'm
Finance costs (Note 21)	45,4	41,8
Capital portion	150,6	148,3
Total cash outflow for leases	196,0	190,1

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

	2025 R'm	2024 R'm
Post-retirement medical aid obligation	309,9	323,8
Earnings-linked performance bonus liabilities	62,6	96,3
I&J Black Staff Employee Benefit Scheme liability (Note 33)	2,3	2,1
	374,8	422,2
Amount payable within one year included in trade and other payables (Note 17)	(74,8)	(87,4)
	300,0	334,8
Post-retirement medical aid obligation		
Reconciliation of benefit obligation recognised on the balance sheet		
Balance at beginning of year	323,8	303,1
Recognised in profit or loss – operating profit	37,1	35,0
– Current service cost	0,7	0,7
– Interest cost	36,4	34,3
Actuarial (gain)/loss recognised in other comprehensive income	(20,7)	17,3
Contributions paid	(30,3)	(31,6)
Balance at end of year	309,9	323,8
Actuarial gain recognised directly in other comprehensive income		
Net cumulative amount at beginning of year	(33,0)	(45,6)
Recognised during the year	(20,7)	17,3
Deferred tax thereon	5,6	(4,7)
Net cumulative amount at end of year	(48,1)	(33,0)

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:

	2025 %	2024 %
Discount rate	10,5	11,9
Medical inflation	7,0	8,4

NOTES TO THE FINANCIAL STATEMENTS continued

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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	24,4	(21,2)
Increase/(decrease) in the aggregate service and interest cost	2,6	(2,3)

15. Current borrowings including short-term portion of lease liabilities

	2025 R'm	2024 R'm
Short-term borrowings	2 006,4	1 229,2
Current portion of lease liabilities (Note 13)	133,5	138,0
	2 139,9	1 367,2

Interest on short-term borrowings is calculated daily at the daily borrowing rate applicable and payable monthly.

16. Other financial assets/liabilities including derivatives

	2025 R'm	2024 R'm
Forward exchange contract derivative assets	12,9	61,0
Fuel swap derivative assets	0,8	2,1
Other financial assets including derivatives	13,7	63,1
Forward exchange contract derivative liabilities	35,4	27,9
Fuel swap derivative liabilities	3,5	1,8
Other financial liabilities including derivatives	38,9	29,7

17. Trade and other payables

	2025 R'm	2024 R'm
Trade payables	1 046,5	1 154,6
Customer contract liabilities	31,4	30,9
Employee-related provisions	295,4	358,9
Employee benefits falling due within one year (Note 14)	74,8	87,4
Other payables and accrued expenses	368,4	304,4
	1 816,5	1 936,2

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 layby sales and gift card purchases within the Group's retail businesses. Total revenue recognised from completed layby sales and redeemed gift cards for the year is R404,7 million (2024: R426,1 million).

18. Revenue

	2025 R'm	2024 R'm
Revenue from contracts with customers comprises the following:		
– Sale of goods	15 847,4	15 681,4
– Services, fees, commissions and royalties	174,1	180,9
Total	16 021,5	15 862,3

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:

	2025							
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	4 719,9	4 948,8	827,7	844,9	1 607,8	175,0	(175,0)	12 949,1
Other African countries	568,1	627,3	54,0	79,4	11,4	–	–	1 340,2
Europe	1,1	6,3	1 227,5	–	–	–	–	1 234,9
Rest of the world	9,3	29,4	458,6	–	–	–	–	497,3
Total	5 298,4	5 611,8	2 567,8	924,3	1 619,2	175,0	(175,0)	16 021,5

	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

The majority of revenue comprises revenue from the sale of goods. Less than 2% (2024: less than 2%) of total revenue comprises income arising from service agreements, rental agreements and trademark licence agreements.

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for the year ended 30 June 2025

19. Operating profit before capital items

	2025 R'm	2024 R'm
In arriving at operating profit before capital items, the following have been taken into account:		
Amortisation	11,4	10,4
– fishing rights	0,6	0,5
– computer software	7,6	7,0
– trademarks	3,2	2,9
Depreciation of property, plant and equipment	414,5	374,1
– buildings	26,1	21,5
– plant, equipment and vehicles	298,7	276,9
– vessels	89,7	75,7
Depreciation of right-of-use assets	161,4	163,3
– retail stores and storerooms	117,9	120,8
– other commercial and industrial sites	43,5	42,5
Total depreciation (included in both cost of sales and selling and administrative expenses)	575,9	537,4
Total depreciation and amortisation	587,3	547,8
Auditor's remuneration		
– fees for audit	13,6	13,1
– fees for other services	0,5	0,7
– taxation services and consultations	0,1	0,1
– other	0,4	0,6
Employment costs (Note 32)	3 479,5	3 431,7
Lease expenses	15,3	17,0
– variable lease payments – turnover rental	3,4	4,3
– short-term leases	11,3	11,8
– leases of low-value assets	0,6	0,9
Research and development costs	51,1	46,2
Foreign exchange gains	(67,9)	(6,9)
20. Interest received		
Interest income on cash and cash equivalents and other investments at amortised cost	10,1	14,8
21. Finance costs		
Interest expense on borrowings at amortised cost	(191,4)	(157,5)
Interest expense on lease liabilities (Note 13)	(45,4)	(41,8)
	(236,8)	(199,3)
22. Share of equity-accounted losses of joint venture		
Equity-accounted loss of non-significant joint venture	(0,3)	(3,2)

23. Capital items

	2025 R'm	2024 R'm
Net loss on disposal of property, plant and equipment	0,2	20,9
Impairment of property, plant and equipment (Note 1)	0,5	0,2
Impairment of right-of-use assets (Note 2)	0,8	–
Joint venture capital profit	(12,6)	–
Insurance proceeds/receivables on property, plant and equipment	–	(0,4)
	(11,1)	20,7
Attributable taxation (Note 24)	(0,4)	(5,7)
	(11,5)	15,0

24. Taxation

Current income tax	866,4	853,6
Deferred taxation	36,2	(27,6)
– Current temporary differences	36,2	(27,6)
Withholding tax	14,0	12,9
Prior year (over)/under provisions		
– Current	(0,8)	2,8
– Deferred	0,5	(3,2)
	916,3	838,5
Dealt with as follows:		
In respect of profit before capital items	916,7	844,2
In respect of capital items (Note 23)	(0,4)	(5,7)
	916,3	838,5
Foreign taxation included in the above	53,2	45,2

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, the Group has assessed that there is no current tax impact and is not required to pay Pillar Two "top-up" taxes.

Reconciliation of rate of taxation	%	%
Standard rate of company taxation	27,0	27,0
Increase in effective rate as a result of:		
– Disallowable expenditure	0,1	0,2
– Expenses attributable to exempt income earned	0,1	0,1
– Other	–	0,1
– Exempt income	(0,1)	(0,2)
– Special tax allowances	(0,1)	(0,1)
– Withholding tax	0,4	0,4
– Utilisation of assessed loss not recognised previously	0,1	–
– Effect of foreign tax rate differential	–	(0,1)
– Other	–	(0,1)
Effective rate of taxation for the year	27,4	27,1

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2025

25. Cash generated by operations

	2025 R'm	2024 R'm
Profit before tax	3 346,0	3 096,2
Adjusted for:		
– Interest received	(10,1)	(14,8)
– Finance costs	236,8	199,3
– Share of equity-accounted losses of joint venture	0,3	3,2
– Capital items	(11,1)	20,7
– Depreciation of property, plant and equipment	414,5	374,1
– Depreciation of right-of-use assets	161,4	163,3
– Amortisation of intangible assets	11,4	10,4
– Foreign currency translations	15,5	(20,4)
– Cash-settled share-based payments	2,6	15,2
– Equity-settled share-based payments	102,4	98,0
– Movement in provisions and other non-cash items ¹	(53,1)	103,9
Cash generated by operations before working capital changes	4 216,6	4 049,1
Changes in working capital ² :	(230,8)	(270,8)
Increase in inventories and biological assets	(114,6)	(14,2)
Increase in trade and other receivables	(66,7)	(147,1)
Decrease in trade and other payables	(49,5)	(109,5)
Cash generated by operations	3 985,8	3 778,3

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

	2025 R'm	2024 R'm
Amount owing at beginning of year	41,9	81,3
Amount prepaid at beginning of year	(6,5)	(3,6)
Net amount owing at beginning of year	35,4	77,7
	879,5	869,3
Charge per profit or loss	916,3	838,5
Deferred taxation included therein (Note 6)	(36,8)	30,8
Effect of movement in foreign exchange rates	(0,1)	(1,4)
Net amount owing at end of year	(22,4)	(35,4)
Amount owing at end of year	(31,7)	(41,9)
Amount prepaid at end of year	9,3	6,5
Amount paid during year	892,4	910,2

27. Other cash flows from/(to) investments

Cash flow to Enterprise and Supplier Development initiatives	(1,0)	(1,3)
Dividends received from joint venture	23,0	–
	22,0	(1,3)

28. Changes in liabilities arising from financing activities

	Balance at 1 July 2024 R'm	Cash flows		Non-cash changes				Balance at 30 June 2025 R'm
		Capital R'm	Interest R'm	Effect of movement in exchange rates R'm	New leases R'm	Impact of lease modifications and remeasurements R'm	Interest accrued R'm	
Short-term borrowings	1 229,2	777,2	(191,4)	–	–	–	191,4	2 006,4
Lease liabilities	542,9	(150,6)	(45,4)	(0,4)	150,9	8,5	45,4	551,3
	1 772,1	626,6	(236,8)	(0,4)	150,9	8,5	236,8	2 557,7

	Balance at 1 July 2023 R'm	Cash flows		Non-cash changes				Balance at 30 June 2024 R'm
		Capital R'm	Interest R'm	Effect of movement in exchange rates R'm	New leases R'm	Impact of lease modifications and remeasurements R'm	Interest accrued 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

29. Earnings and headline earnings

	2025		2024	
	Gross R'm	Net of tax R'm	Gross R'm	Net of tax R'm
The calculations of earnings and headline earnings per ordinary share are based on a weighted average of 331 671 159 (2024: 330 791 602) ordinary shares in issue.				
The diluted earnings and headline earnings per share are calculated based on a weighted average of 336 905 394 (2024: 334 217 367) ordinary shares.				
Determination of headline earnings				
Earnings attributable to owners of AVI		2 429,7		2 257,7
Adjustment for capital items	(11,1)	(11,5)	20,7	15,0
Net loss on disposal of property, plant and equipment	0,2	0,1	20,9	15,2
Gain on disposal of vessels/rights in Umsobomvu joint venture (Note 4)	(12,6)	(12,6)	–	–
Impairment of property, plant and equipment (Note 1)	0,5	0,4	0,2	0,1
Impairment of right-of-use assets (Note 2)	0,8	0,6	–	–
Insurance proceeds/receivables on property, plant and equipment	–	–	(0,4)	(0,3)
Headline earnings		2 418,2		2 272,7

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2025

29. Earnings and headline earnings continued

	2025 Number	2024 Number
Reconciliation of weighted average number of ordinary shares		
Issued shares at beginning of year	338 965 477	338 191 889
Own shares held by trusts and subsidiary at beginning of year	(8 015 107)	(7 568 115)
Effect of new shares issued externally during the year	64 609	43 886
Effect of treasury shares sold in July – September	–	11 965
Effect of treasury shares sold in October – December	618 181	103 890
Effect of treasury shares sold in January – March	21 448	7 810
Effect of treasury shares sold in April – June	16 551	277
Weighted average number of ordinary shares	331 671 159	330 791 602
Effect of the Revised AVI Limited Executive Share Incentive Scheme instruments outstanding during the year	1 293 095	474 409
Effect of the AVI Limited Deferred Bonus Share Plan instruments outstanding during the year	2 208 862	1 520 557
Effect of the AVI Limited Out-Performance Scheme instruments outstanding during the year	1 732 278	1 430 799
Weighted average diluted number of ordinary shares	336 905 394	334 217 367

In determining the dilutive effect of these options, the IFRS 2 – *Share-Based Payment* charge not yet expensed is added to the exercise price.

	2025 Cents	2024 Cents
Earnings per ordinary share	732,6	682,5
Diluted earnings per ordinary share	721,2	675,5
Headline earnings per ordinary share	729,1	687,1
Diluted headline earnings per ordinary share	717,8	680,0

30. Dividends paid

	2025 R'm	2024 R'm
Ordinary shares		
No.102 of 310 cents, paid 23 October 2023		1 035,2
No.103 of 202 cents, paid 22 April 2024		674,6
No.104 of 388 cents, paid 21 October 2024	1 300,0	
No.105 of 280 cents, paid 21 October 2024 (special dividend)	938,1	
No.106 of 220 cents, paid 14 April 2025	737,3	
	2 975,4	1 709,8
Ordinary dividend No.107 of 406 cents in respect of the year ended 30 June 2025 was declared on 5 September 2025 and is payable on 20 October 2025. 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.	1 361,0	

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

	2025 R'm	2024 R'm
Commitments		
Capital commitments		
Capital expenditure authorised by the directors		
Property, plant and equipment		
– contracted for	103,8	157,9
– not contracted for	35,7	52,9
	139,5	210,8

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

	2025 R'm	2024 R'm
Employment costs	3 479,5	3 431,7
Short-term employment benefits	3 074,1	2 975,7
Termination benefits	37,3	45,9
Retirement benefits (Note 32.1)	191,6	186,5
Post-retirement medical aid costs (Note 14)	37,1	35,0
Share-based payments – equity-settled (Note 32.2)	102,4	98,0
Share-based payments – cash-settled (Note 32.2)	2,6	–
Movement in provisions for long-term earnings-linked performance bonuses (Note 14)	34,2	88,5
I&J Black Staff Employee Benefit Scheme (Note 33)	0,2	2,1

32.1 Retirement benefits

The Group provides retirement benefits for its eligible employees. Of the Group's 9 108 (2024: 8 937) employees, 7 390 (2024: 7 498) 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 R191,6 million (2024: R186,5 million).

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2025

32. Employee benefits continued

32.2 Share incentive schemes

The interests of the directors are given on page 128 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.

Date of award	Award price per instrument R	Instruments outstanding at 30 June 2024 number	Awarded number	Exercised/ lapsed number	Relinquished ¹ / forfeited number	Instruments outstanding at 30 June 2025 number
1 October 2019	83,91	13 698	–	(13 698)	–	–
1 April 2020	69,75	580 658	–	(580 658)	–	–
1 October 2020	74,52	78 832	–	(69 972)	–	8 860
1 April 2021	73,85	621 405	–	(213 171)	–	408 234
1 October 2021	86,04	289 966	–	(229 969)	–	59 997
1 April 2022	69,23	1 164 830	–	(575 919)	(13 401)	575 510
1 October 2022	73,43	547 404	–	(8 156)	(1 316)	537 932
1 April 2023	66,48	1 445 285	–	(43 908)	(59 757)	1 341 620
1 October 2023	75,20	640 113	–	(5 222)	(4 674)	630 217
1 April 2024	91,54	973 508	–	(11 276)	(337 739)	624 493
1 October 2024	108,00	–	274 686	–	(65 894)	208 792
1 April 2025	89,87	–	1 008 842	–	–	1 008 842
		6 355 699	1 283 528	(1 751 949)	(482 781)	5 404 497
Weighted average award price (R)		74,35	93,75	72,61	89,86	78,13
Weighted average exercise price on date of exercise (R)				97,90		

The weighted average remaining contractual life of instruments outstanding as at 30 June 2025 is 1,2 years (2024: 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.

32. Employee benefits continued

32.2 Share incentive schemes continued

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.

Date of award	Award price per instrument R	Instruments outstanding at 30 June 2024 number	Awarded number	Exercised number	Forfeited number	Instruments outstanding at 30 June 2025 number
1 October 2021	79,98	289 174	–	(289 174)	–	–
1 October 2022	72,99	523 901	–	–	(124 686)	399 215
1 October 2023	74,00	651 822	–	–	(99 885)	551 937
1 October 2024	104,87	–	413 635	–	–	413 635
		1 464 897	413 635	(289 174)	(224 571)	1 364 787
Weighted average award price (R)		74,82	104,87	79,98	73,44	83,06
Weighted average share price on date of exercise (R)				108,37		

The weighted average remaining contractual life of instruments outstanding as at 30 June 2025 is 1,3 years (2024: 1,5 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.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2025

32. Employee benefits continued

32.2 Share incentive schemes continued

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 2024 number	Awarded number	Exercised number	Forfeited number	Instruments outstanding at 30 June 2025 number
1 October 2021	86,04	214 964	–	(214 147)	(817)	–
1 October 2022	73,43	571 393	–	(21 418)	(35 646)	514 329
1 June 2023	63,58	1 608 644	–	(31 373)	(102 533)	1 474 738
1 October 2023	75,20	639 571	–	(12 167)	(52 200)	575 204
1 October 2024	108,00	–	531 826	(1 589)	(29 065)	501 172
		3 034 572	531 826	(280 694)	(220 261)	3 065 443
Weighted average award price (R)		69,47	108,00	82,22	73,87	74,68
Weighted average share price on date of exercise (R)				107,12		

The weighted average remaining contractual life of instruments outstanding as at 30 June 2025 is 1,1 years (2024: 1,7 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.

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 2024 number	Awarded number	Exercised number	Forfeited number	Instruments outstanding at 30 June 2025 number
1 April 2024	91,54	51 043	–	(1 557)	(6 547)	42 939
1 October 2024	108,00	–	53 082	(215)	(891)	51 976
1 April 2025	89,87	–	49 251	–	–	49 251
		51 043	102 333	(1 772)	(7 438)	144 166
Weighted average award price (R)		91,54	99,27	93,54	93,51	96,90
Weighted average share price on date of exercise (R)				91,74		

The weighted average remaining contractual life of instruments outstanding as at 30 June 2025 is 2,3 years (2024: 2,8 years).

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.

32. Employee benefits continued

32.2 Share incentive schemes continued

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 2025 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.

	2025 number	2024 number
Remaining share options	40 124	40 124

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	4 837 708
AVI Limited Deferred Bonus Share Plan	5 213 369	1,5	734 418
AVI Limited Out-Performance Scheme	6 915 158	2,0	3 907 614
Total	17 341 896	5,0	9 479 740

* 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.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2025

32. Employee benefits continued

32.3 Share-based payments continued

Assumptions applied in arriving at fair value of instruments issued during the year	2025	2024
Equity instruments issued by the Revised AVI Limited Executive Share Incentive Scheme		
Fair value at grant date	R15,07 – R17,19	R14,33 – R17,00
Share price	R69,47 – R83,28	R57,96 – R70,71
Exercise price	R89,87 – R108,00	R75,20 – R91,54
Expected volatility	22,4%	21,7% – 22,8%
Option life	3,5 years	3,5 years
Dividend yield	2,20% – 6,68%	2,02% – 3,10%
Risk-free interest rate	10,05% – 10,63%	12,30% – 12,38%
Equity instruments issued by the AVI Limited Out-Performance Scheme		
Fair value at grant date	R42,28	R24,35
Share price	R104,87	R74,00
Option life	3 years	3 years
Dividend yield	5,9%	7,4%
Risk-free interest rate	10,05%	11,38%
Expected mean TSR performance	5,8%	10,8%
Equity instruments issued by the AVI Limited Deferred Bonus Share Plan		
Share price	R108,00	R75,20
Notional instruments issued by the AVI Limited Full Value Cash-settled Phantom Share Incentive Scheme		
Share price	R89,87 – R108,00	R91,54
Option life	3 years	3 years
Dividend yield	7,0%	5,9%
Risk-free interest rate	9,96%	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.

	2025 R'm	2024 R'm
Equity-settled share-based payment expense		
Revised AVI Limited Executive Share Incentive Scheme	19,5	15,3
AVI Limited Out-Performance Scheme	12,3	15,5
AVI Limited Deferred Bonus Share Plan	70,6	67,2
	102,4	98,0
Cash-settled share-based payment expense		
AVI Limited Full Value Cash-settled Phantom Share Incentive Scheme	2,6	0,3
	2,6	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% (2024: 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 the 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 – R2,3 million (2024: R2,1 million)) has been measured using the projected unit credit method and an expense of R0,2 million (2024: an expense of R2,1 million) has been recognised in the current year. Refer to Note 32.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2025

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 R14,7 million (2024: 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 11,5 years (2024: 12,5 years), discounted at 14,6% (2024: 15,4%), and will be assessed annually.

	2025	2024
The inputs used in the Monte Carlo valuation methodology:		
Fair value of preference share investment at grant date	R115,5 million	R115,5 million
Option life/term	11,5 years	12,5 years
Dividend payout ratio	40%	40%
Expected volatility	109,2%	113,7%
Risk-free interest rate	10,56%	11,95%

34. Related party transactions

	2025 R'm	2024 R'm
Transactions with Group entities		
Other payables to joint venture	–	0,1
Purchases from joint venture	–	1,6
Dividends received from joint venture	23,0	–
Payments to AVI Limited Pension Fund	117,4	109,2
Payments to AVI Limited Provident Fund	149,5	141,4

Details of the significant subsidiaries, joint ventures and other investments are given on pages 162 and 196.

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 2025, according to the information available to the directors were:

	Number of ordinary shares	%
Government Employees Pension Fund	70 369 315	20,7
Vanguard Investment Management	12 947 600	3,8
Old Mutual Group	12 891 610	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 130.

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:

	2025 R'm	2024 R'm
Short-term employee benefits	211,9	199,2
Post-employment benefits	9,9	9,4
Termination benefits	6,3	15,4
Other long-term benefits*	35,0	8,0
Share-based payment benefits	117,4	71,2
	380,5	303,2

* 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.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2025

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 10,9% (2024: 11,7%). In 2025 the return was 34,9% (2024: 34,3%). In comparison, the weighted average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 8,85% (2024: 9,41%).

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

Trade and other receivables 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 2025 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 (2024: 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	
	2025 R'm	2024 R'm
Long-term receivables	21,9	20,9
Derivatives	13,7	63,1
Trade and other receivables*	2 047,7	1 980,9
Cash and cash equivalents	294,5	352,9
Total	2 377,8	2 417,8

* Excludes prepayments and VAT receivables.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2025

35. Financial risk management continued

35.3 Credit risk continued

Exposure to 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	
	2025	2024
	R'm	R'm
South Africa	1 503,6	1 492,6
Europe	302,7	214,4
Australasia	18,9	19,8
Rest of Africa	169,2	192,3
Other	27,1	29,5
Total	2 021,5	1 948,6

** 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	
	2025	2024
	R'm	R'm
Wholesale customers	1 070,0	916,7
Retail customers	823,7	900,9
End-user customers and direct sales	127,8	131,0
Total	2 021,5	1 948,6

The Group's most significant customers, being two South African retailers, accounted for 28,1% of the carrying amount of trade receivables at 30 June 2025 (2024: 34,4%).

Impairment losses

The ageing of trade receivables at the reporting date was:

	2025			2024		
	Gross	Impairment	Expected	Gross	Impairment	Expected
	R'm	allowance	credit loss	R'm	allowance	credit loss
	R'm	R'm	rate	R'm	R'm	rate
			%			%
Not past due	1 968,4	–	–	1 877,0	–	–
Past due 0 – 30 days	32,5	(0,7)	2,2	37,9	(0,1)	0,3
Past due 31 – 120 days	13,5	(0,9)	6,7	16,8	(1,1)	6,5
Past due 121 days – 1 year	4,6	(0,8)	17,4	15,4	(1,9)	12,3
Past due more than 1 year	2,5	(2,0)	80,0	1,5	(1,5)	100,0
Total	2 021,5	(4,4)	0,2	1 948,6	(4,6)	0,2

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:

	2025	2024
	R'm	R'm
Balance as at 1 July	(4,6)	(4,8)
Impairment loss recognised in profit or loss	(0,4)	(3,3)
Impairment loss utilised	0,6	3,5
Balance as at 30 June	(4,4)	(4,6)

35. Financial risk management continued

35.3 Credit risk continued

Impairment losses 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 2025						
Non-derivative financial liabilities						
Trade and other payables*	1 341,4	1 341,4	1 341,4	–	–	–
Lease liabilities	551,3	670,0	178,2	146,7	244,0	101,1
Current borrowings	2 006,4	2 006,4	2 006,4	–	–	–
	3 899,1	4 017,8	3 526,0	146,7	244,0	101,1
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

* Excludes contract liabilities, earnings-linked performance and accrued bonuses, leave pay provisions, short-term employee benefits and indirect tax liabilities.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2025

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 2025						
FECs used for hedging						
– Imports	(11,0)	759,1	759,1	–	–	–
– Exports	(11,1)	(670,3)	(670,3)	–	–	–
	(22,1)	88,8	88,8	–	–	–
Imports – average forward rate:						
– USD/ZAR			18,33			
– EUR/ZAR			20,61			
Exports – average forward rate:						
– USD/ZAR			18,93			
– EUR/ZAR			20,85			
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			

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

Currency 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 2025										
Australian Dollar	1,6	-	-	-	1,6	17,9	-	(6,2)	-	13,3
Botswana Pula	28,3	46,0	(1,4)	(25,4)	47,5	-	-	-	-	47,5
Euro	12,3	2,8	(2,0)	(0,4)	12,7	57,0	(21,4)	(25,8)	8,4	30,9
US Dollar	1,5	2,3	(4,0)	(1,1)	(1,3)	17,5	(71,8)	(5,7)	36,8	(24,5)
UK Pound	2,2	0,4	-	-	2,6	10,0	-	(4,8)	-	7,8
Zambian Kwacha	29,0	17,5	(0,9)	(9,5)	36,1	-	-	-	-	36,1
Namibian Dollar	24,2	34,9	(4,7)	(1,7)	52,7	-	-	-	-	52,7
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

* Estimated forecast sales and purchases reflect anticipated transactions for the 12 months from 30 June.

The following significant exchange rates applied during the year:

1FC = X ZAR	Reporting date			
	30 June 2025		30 June 2024	
	Closing rate	Average for the year	Closing rate	Average for the year
Australian Dollar	11,68	11,72	12,14	12,25
Botswana Pula	1,33	1,34	1,34	1,37
Euro	20,92	19,77	19,49	20,15
US Dollar	17,75	18,14	18,19	18,67
UK Pound	24,38	23,55	23,00	23,49
Zambian Kwacha	0,74	0,67	0,76	0,80

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2025

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 profit/(loss) and equity 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 2024.

	Profit/(loss) and equity	
	2025 R'm	2024 R'm
Australian Dollar	15,5	8,1
Botswana Pula	6,3	6,9
Euro	64,7	75,6
US Dollar	(43,5)	(37,8)
UK Pound	19,0	13,3
Zambian Kwacha	2,7	2,8
	64,7	68,9

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	
	2025 R'm	2024 R'm
Variable rate instruments		
– financial assets ¹	294,5	352,9
– financial liabilities ²	(2 006,4)	(1 229,2)
	(1 711,9)	(876,3)

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 for 2024.

	Profit/(loss) and equity	
	2025 R'm	2024 R'm
Variable rate instruments		
– financial assets	2,9	3,5
– financial liabilities	(20,1)	(12,3)
Net cash flow sensitivity	(17,2)	(8,8)

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 2025	R'm	R'm	R'm	R'm	R'm	R'm
Financial assets measured at fair value	13,7	13,7	-	-	13,7	-
Forward exchange contract derivative assets	12,9	12,9	-		12,9	
Fuel swap derivative assets	0,8	0,8	-		0,8	
Financial assets not measured at fair value	2 364,1	-	2 364,1	-	-	-
Contributions to Enterprise and Supplier Development initiatives	21,9	-	21,9			
Trade and other receivables						
- Trade receivables	2 017,1	-	2 017,1			
- Other receivables	30,6	-	30,6			
Cash and cash equivalents	294,5	-	294,5			
Financial liabilities measured at fair value	(38,9)	(38,9)	-	-	(38,9)	-
Forward exchange contract derivative liabilities	(35,4)	(35,4)	-		(35,4)	
Fuel swap derivative liabilities	(3,5)	(3,5)	-		(3,5)	
Financial liabilities not measured at fair value	(3 899,1)	-	(3 899,1)	-	-	-
Current borrowings	(2 006,4)	-	(2 006,4)			
Lease liabilities	(551,3)	-	(551,3)			
Trade and other payables						
- Trade payables	(1 046,5)	-	(1 046,5)			
- Other payables*	(294,2)	-	(294,2)			

* Excludes contract liabilities, earnings-linked performance and accrued bonuses, leave pay provisions, short-term employee benefits and indirect tax liabilities.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2025

36. Financial assets and liabilities continued

	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**	(3 153,2)	–	(3 153,2)	–	–	–
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**	(226,5)	–	(226,5)			

** The prior year balance has been restated to exclude customer contract liabilities (R30,9m), earnings-linked performance and accrued bonuses (R235,8m), leave pay provisions (R123,1m), short-term employee benefits (R87,4m) and indirect taxes (R77,9m) as these items do not meet the definition of a financial liability. This has been updated accordingly to be comparative with the current year with no impact on the primary statements.

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).

36. Financial assets and liabilities continued

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 2025 and 30 June 2024.

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 2025 of R2 429,7 million (2024: R2 257,7 million) and as of that date, its total assets exceeded its total liabilities by R5 346,9 million (2024: R5 784,9 million).

The trading environment remains particularly challenging, exacerbated by the government's inability to deliver structural reforms required for sustainable economic recovery. Key macroeconomic pressures include elevated unemployment, declining real disposable income, and the continued erosion of South Africa's middle class; many of whom are core consumers of the Group's brands. In addition, the increasing deterioration of municipal infrastructure in critical areas where the Group operates has raised the cost and complexity of maintaining baseline operations.

Despite these conditions, the Group remains committed to protecting volumes, sustaining margin positions, and optimising returns. A number of restructuring and efficiency initiatives have been implemented in 2025 to address the cost and complexity of the Group's operating model, with benefits expected to flow through in the upcoming financial year.

As part of preparing the financial results, the Group has performed a detailed going concern assessment. This assessment is based on the approved budget for the 2026 financial year and includes profitability, solvency and liquidity forecasts. The budget was set against a backdrop of weak macroeconomic growth, rising competitive intensity, and operational risks linked to infrastructure and regulatory shortcomings. Notwithstanding these challenges, the base case budget demonstrates continued capital stability, liquidity adequacy and value creation for shareholders.

A downside scenario was also considered, reflecting persistent inflation, further deterioration in public infrastructure, lower-than-expected consumer demand, and the potential impact of aggressive discounting by competitors. The scenario also accounted for volatile currency movements and the consideration of lower catch rates in the I&J division. Even under this scenario, the Group remains solvent and liquid, with no material uncertainty arising that casts doubt on its ability to continue as a going concern.

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 2025

Principal subsidiary companies of AVI Limited

Name of company and nature of business	Class	Issued permanent capital*		Group effective percentage holding	
		2025 R'm	2024 R'm	2025 %	2024 %
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	100
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.

ANNEXURE B – ANALYSIS OF ORDINARY SHAREHOLDERS

Analysis of ordinary shareholders as at 29 June 2025

Shareholder Spread	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
1 – 1 000 shares	12 193	68,88	3 382 095	1,00
1 001 – 10 000 shares	4 181	23,62	13 246 956	3,90
10 001 – 100 000 shares	941	5,32	30 491 894	8,96
100 001 – 1 000 000 shares	327	1,85	98 791 509	29,04
1 000 001 shares and over	59	0,33	194 234 012	57,10
Total	17 701	100,00	340 146 466	100,00
Distribution of Shareholders				
Assurance Companies	114	0,64	10 241 468	3,01
Close Corporations	116	0,66	340 439	0,10
Collective Investment Schemes	593	3,35	136 705 466	40,19
Control Accounts	2	0,01	69	0,00
Custodians	44	0,25	2 596 511	0,76
Foundations & Charitable Funds	142	0,80	1 449 739	0,43
Hedge Funds	14	0,08	1 298 691	0,38
Insurance Companies	12	0,07	572 926	0,17
Investment Partnerships	39	0,22	1 317 908	0,39
Managed Funds	103	0,58	17 821 963	5,24
Medical Aid Funds	33	0,19	1 726 152	0,51
Organs of State	18	0,10	73 399 442	21,58
Private Companies	536	3,03	3 554 395	1,04
Public Companies	11	0,06	2 512 500	0,74
Public Entities	2	0,01	13 704	0,00
Retail Shareholders	12 969	73,27	14 689 557	4,32
Retirement Benefit Funds	513	2,90	26 821 847	7,89
Scrip Lending	14	0,08	9 876 515	2,90
Share Schemes	1	0,01	4 914 670	1,44
Sovereign Funds	13	0,07	9 071 587	2,67
Stockbrokers & Nominees	37	0,21	10 588 450	3,11
Treasury	2	0,01	3 079 448	0,91
Trusts	2 365	13,36	7 536 591	2,22
Unclaimed Scrip	8	0,04	16 428	0,00
Total	17 701	100,00	340 146 466	100,00
Shareholder Type				
Non-Public Shareholders	7	0,04	9 046 386	2,66
Directors	4	0,02	1 052 268	0,31
Treasury Shares	2	0,01	3 079 448	0,91
AVI Share Schemes	1	0,01	4 914 670	1,44
Public Shareholders	17 694	99,96	331 100 080	97,34
Total	17 701	100,00	340 146 466	100,00

OVERVIEW

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SHAREHOLDER INFORMATION

ANNEXURE B – ANALYSIS OF ORDINARY SHAREHOLDERS

continued

Analysis of ordinary shareholders as at 29 June 2025

Fund managers with a holding greater than 3% of the issued shares	Number of shares	% of issued capital
Public Investment Corporation	63 838 840	18,77
Aikya Investment Management	20 571 182	6,05
Sanlam Investment Management	15 189 514	4,47
Old Mutual Investment Group	13 393 231	3,94
Vanguard Investment Management	12 947 600	3,81
Allan Gray	12 557 728	3,69
Total	138 498 095	40,73

Beneficial shareholders with a holding greater than 3% of the issued shares

Government Employees Pension Fund	70 369 315	20,69
Vanguard Investment Management	12 947 600	3,81
Old Mutual Group	12 891 610	3,79
Total	96 208 525	28,29

	Number of shareholdings
Total number of shareholdings	17 701
Total number of shares in issue	340 146 466

Share Price performance

Opening price 01 July 2024	R96,50
Closing price 30 June 2025	R94,13
Closing high for period	R114,09
Closing low for period	R83,41
Number of shares in issue	340 146 466
Volume traded during period	245 402 179
Ratio of volume traded to shares issued (%)	72,15%
Rand value traded during the period	R24 325 787 194
Market capitalisation at 30 June 2025	R32 017 986 845

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. 107

Dividends declared	Friday, 5 September 2025
Details of dividends announcement on SENS	Monday, 8 September 2025
Last day to trade cum dividend on the JSE Limited ("JSE")	Tuesday, 14 October 2025
First day trading ex dividend on the JSE	Wednesday, 15 October 2025
Record date	Friday, 17 October 2025
Payment date	Monday, 20 October 2025

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 eighty-first Annual General Meeting of members of the Company will be held at 2 Harries Road, Illovo, Johannesburg, on Tuesday, 11 November 2025 at 11:00 for the following purposes:

To consider and if deemed fit, to pass with or without modification, ordinary resolutions 1 to 11. 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 2025, 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 and Mr Derek Engelbrecht as designated partner."
3. "That Mr SG Robinson, 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 M Koursaris, 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 Ms MR Mouyeme, who will retire by rotation in accordance with the Company's Memorandum of Incorporation and who, being eligible, offers herself for re-election, be and is hereby re-elected as a director of the Company."*
6. "That Mr SG Robinson, subject to his re-election as a non-executive director in terms of ordinary resolution 3 above, be and is hereby elected as a member and the Chairman of the Audit and Risk Committee."*
7. "That Ms MR Mouyeme, subject to her re-election as a non-executive director in terms of ordinary resolution 5 above, 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."*
9. "That Mrs A Muller be and is hereby elected as a member and the Chair of the Social and Ethics Committee."*
10. "That Mr MJ Watters be and is hereby elected as a member of the Social and Ethics Committee."*
11. "That Ms MR Mouyeme, subject to her re-election as a non-executive director in terms of ordinary resolution 5 above, be and is hereby elected as a member of the Social and Ethics Committee."*

* Brief CVs of the directors appear on page 86 of the Integrated Annual Report.

To consider and if deemed fit, to pass with or without modification, special resolutions 12 to 24. 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.

12. "That with effect from 1 July 2025 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 R520 020 per year to R551 221 per year."
13. "That with effect from 1 July 2025 the fees payable to the Chairman of the Board be increased from R1 659 359 per year to R1 758 921 per year."
14. "That with effect from 1 July 2025 the fees payable to the members of the Remuneration, Nomination and Appointments Committee, excluding the Chairman of the committee, be increased from R152 450 per year to R161 597 per year."
15. "That with effect from 1 July 2025 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 R165 994 per year."
16. "That with effect from 1 July 2025 the fees payable to the members of the Social and Ethics Committee, excluding the Chairman of the committee, be increased from R112 304 per year to R119 042 per year."
17. "That with effect from 1 July 2025 the fees payable to the Chairman of the Remuneration, Nomination and Appointments Committee be increased from R332 001 per year to R351 921 per year."
18. "That with effect from 1 July 2025 the fees payable to the Chairman of the Audit and Risk Committee be increased from R359 101 per year to R380 647 per year."
19. "That with effect from 1 July 2025 the fees payable to the Chairman of the Social and Ethics Committee be increased from R167 560 per year to R177 614 per year."
20. "That with effect from 1 July 2025 the fees payable to the Chairman of the Board, should the Chairman be a foreign non-executive director, be increased from £107 000 per year to £113 420 per year."

NOTICE OF ANNUAL GENERAL MEETING continued

21. "That with effect from 1 July 2025 the fees payable to the members of the Audit and Risk Committee, should the member be a foreign non-executive director, be increased from £11 235 per year to £11 909 per year."
22. "That with effect from 1 July 2025 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 £7 490 per year to £7 939 per year."
23. "That with effect from 1 July 2025 the fees payable to the members of the Social and Ethics Committee, should the member be a foreign non-executive director, be increased from £6 955 per year to £7 372 per year."
24. "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.

To consider the non-binding ordinary resolution 25.

25. "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 26.

26. "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.

In the event that 25% or more of the voting rights exercised in respect of the non-binding ordinary resolutions 25 and 26 are against the remuneration policy or the implementation report or both, the board will invite dissenting shareholders to forward their concerns to the company secretary.

To consider any other business.

27. "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 24 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 24):

- major beneficial shareholders – pages 185 and 197 to 198; and
- share capital of the Company page 167.

NOTICE OF ANNUAL GENERAL MEETING continued

Directors' responsibility statement

The directors, whose names appear on page 86 of the Integrated Annual Report, collectively and individually accept full responsibility for the accuracy of the information pertaining to resolution 24 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.

Social and ethics and remuneration reports

As required in terms of sections 61(8)(a)(iv) and (v) of the Companies Act, 71 of 2008, as read with regulation 43(5)(c) of the Companies Regulations, 2011, promulgated under the Companies Act, the report of the Social and Ethics Committee and the remuneration report are included in the annual report available on the Company's website at www.avi.co.za.

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, 3 October 2025; 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, 31 October 2025. Accordingly, the last day to trade to participate in and vote at the Annual General Meeting is Tuesday, 28 October 2025.

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, 10 November 2025. 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

VIVIEN CRYSTAL

Company Secretary

2 Harries Road, Illovo

10 October 2025

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 eighty-first Annual General Meeting of the Company, to be held at 2 Harries Road, Illovo, Johannesburg, 2196 at 11:00 on Tuesday, 11 November 2025 ("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 2025			
2. Appointment of Ernst & Young Inc. as the external auditors of the Company			
3. Re-election of Mr SG Robinson as a director			
4. Re-election of Mr M Koursaris as a director			
5. Re-election of Ms MR Mouyeme 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. Appointment of Mrs A Muller as a member and Chairman of the Social and Ethics Committee			
10. Appointment of Mr MJ Watters as a member of the Social and Ethics Committee			
11. Appointment of Ms MR Mouyeme as a member of the Social and Ethics Committee			
12. Special resolution (increase in fees payable to non-executive directors, excluding the Chairman of the Board)			
13. Special resolution (increase in fees payable to the Chairman of the Board)			
14. Special resolution (increase in fees payable to members of the Remuneration, Nomination and Appointments Committee)			
15. Special resolution (increase in fees payable to members of the Audit and Risk Committee)			
16. Special resolution (increase in fees payable to non-executive members of the Social and Ethics Committee)			
17. Special resolution (increase in fees payable to Chairman of the Remuneration, Nomination and Appointments Committee)			
18. Special resolution (increase in fees payable to Chairman of the Audit and Risk Committee)			
19. Special resolution (increase in fees payable to Chairman of the Social and Ethics Committee)			
20. Special resolution (increase in fees payable to the Chairman of the Board, should the Chairman be a foreign non-executive director)			
21. Special resolution (increase in fees payable to the members of the Audit and Risk Committee, should the member be a foreign non-executive director)			
22. 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)			
23. Special resolution (increase in fees payable to the members of the Social and Ethics Committee, should the member be a foreign non-executive director)			
24. Special resolution (general authority to buy-back shares)			
25. Ordinary resolution to endorse the remuneration policy (non-binding advisory vote)			
26. 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 2025

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, 10 November 2025. 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.

[illegible]

NOTES

[illegible]

ADMINISTRATION AND PRINCIPAL SUBSIDIARIES

Administration

Company registration AVI Limited ("AVI")

Reg no: 1944/017201/06
Share code: AVI
ISIN: ZAE000049433

Company Secretary

Sureya Scheepers
(Resigned 31 August 2025)

Vivien Crystal
(Appointed 1 September 2025)

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

FirstRand 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

Roger Coppin
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 Crutchley¹
(Chief Executive Officer)

Justin O'Meara¹
(Chief Financial Officer)

Michael Koursaris
(Business Development Director)

Independent non-executive

Mike Watters (Chairman)^{2,3,4}

Alexandra Muller^{5,6}

Steven Robinson⁶

Maserame Mouyeme^{2,6}

Valerie Davies⁴

¹ Resigned as member of the Social and Ethics Committee effective 16 January 2025.

² Appointed to the Social and Ethics Committee effective 16 January 2025, as required by the Companies Act 71 of 2008.

³ British.

⁴ Member of the Remuneration, Nomination and Appointments Committee.

⁵ Member of the Social and Ethics Committee.

⁶ Member of the Audit and Risk Committee.

