



QUALITY  
**BRANDS**

GREAT  
**FOOD**

SPECIAL  
**MOMENTS**

*Integrated*  
*Annual Report*

**2024**



# Table of contents

About this report	2	<b>Our performance</b>	<b>42</b>
<b>Our business at a glance</b>	<b>3</b>	CFO's review	43
Investment case	9	Ambient Products	47
Our strategy	10	Perishable Products	61
Realising operational efficiencies across the Group	14	Household & Personal Care	71
CEO's review	15	<b>Our responsibility</b>	<b>72</b>
<b>Business overview</b>	<b>17</b>	Environmental, social and governance review	73
How we meet our customers' needs	18	<b>Governance review</b>	<b>88</b>
Where we operate	19	Governance and Board Committees	89
Our value chain	20	King Report on Corporate Governance for South Africa 2016 (King IV)	101
Our Board	22	<b>Remuneration review</b>	<b>105</b>
Our business model	24	Section 1: Background statement	106
Our material matters	26	Section 2: Overview of Remuneration Policy	108
<b>Our operating landscape</b>	<b>27</b>	Section 3: Implementation of the Remuneration Policy	116
Chairman's review	28	<b>Corporate information</b>	<b>120</b>
Our operating context	30		
Risk management	35		
Stakeholder engagement	39		

# About this *report*

This Integrated Annual Report covers the period 1 January to 31 December 2024 and includes material information up to the date of finalisation of the report. It addresses Libstar's activities, delivery against our strategy, governance, external environment, key risks and opportunities, our plans and outlook.

The report aims to provide stakeholders with relevant information about Libstar's material matters – those matters that have the largest potential impacts on our ability to create value in the short, medium and long term<sup>1</sup>, as well as the Group's most significant impacts on the economy, society and the environment.

Financial information in this report has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and includes all subsidiaries. ESG information is reported on a consistent basis.

## Reporting process and frameworks

The Group's integrated reporting process is driven by Executive Management and the reporting documents are reviewed and approved by the Board of Directors.

The audited consolidated Annual Financial Statements comply with IFRS Accounting Standards, the JSE Listings Requirements and the South African Companies Act 71 of 2008, as amended. The external auditors issued an unqualified audit opinion on the Annual Financial Statements.

The Integrated Annual Report is guided by the principles and requirements of the IFRS Foundation's Integrated Reporting <IR> Framework, and the King IV™ Report on Corporate Governance for South Africa 2016 (King IV)<sup>2</sup>.

We considered the JSE Sustainability Disclosure Guidance in preparing our ESG disclosures and continue to work towards incorporating best practice. Our corporate social investment policy aligns with the UN Sustainable Development Goals and we aim to broaden alignment to all key initiatives over time.

We will consider the application of other reporting frameworks such as the sustainability and climate disclosure standards from the International Sustainability Standards Board (ISSB) for our future sustainability and climate reporting.

## Board approval

The Board acknowledges its responsibility for the integrity of the Group's external reporting. We believe that the report provides a fair and balanced view of the Group's performance, strategy, governance, and outlook, and that it covers all material matters affecting Libstar's ability to create and preserve value relevant to providers of financial capital and other stakeholders. The Board approved this report on 17 April 2025.



**Wendy Luhabe**  
Chairman

### Reporting suite

<sup>1</sup> Throughout this report, 'short term' refers to less than 12 months, 'medium term' means one to three years and 'long term' indicates greater than three years.

<sup>2</sup> ™ 2016 The Institute of directors in Southern Africa NPC. All rights reserved.



# Our business at a *glance*

*One Libstar*

Libstar is an innovative food company inspired by the consumers we serve. With passion and purpose, we deliver great-tasting, nutritious food products of high quality to our valued consumers as *One Libstar*.

## Purpose

To nourish and unite people with great-tasting, quality food.

## Vision

As *One Libstar*, we unlock value for our stakeholders through the sustainable, profitable growth of our selected portfolio of consumer-inspired food brands and innovative category solutions.

We achieve this by being trusted partners, working closely with our customers and constantly enhancing our reputation as one of South Africa's leading producers and distributors of high-quality branded and private label food products.

## Our values



### Agile

We embrace change with a can-do attitude. We are always focused on moving forward.



### Champions for good

We believe in always doing the right thing and are committed to leading with integrity and doing business honestly and openly.



### Performance-driven

As an ambitious team, we work with high energy and momentum, constantly challenging each other and finding creative solutions that will ensure our success.



### Consumer-inspired

We are aligned and focused on the needs of our consumers.



### Accountable

We take responsibility for our actions and strive for the highest standards in all that we do.



## Our business at a glance continued

This year, we made meaningful progress in the focus areas of our new strategic direction which we set last year. The strategy aims to deliver sustainable, profitable growth and shareholder value. Our progress is discussed on page 11 and throughout this report.



**SIMPLIFY** our portfolio composition and operating model



**GROW** our categories, channels, people and culture



**SUSTAIN** our operations and cash flows

In executing the strategy, our focus remains on our five key value-driving initiatives (KVIs) to enhance cost competitiveness, improve earnings quality and increase return on invested capital.



**Simplifying the Group's portfolio and operating model**



**Optimising the Group's operating model and structure**



**Growing profitably and investing in our people**



**Reducing costs and improving operational efficiency to increase operating profit**



**Improving capability and building capacity to identify, acquire and integrate value accretive categories in 2025 and beyond**

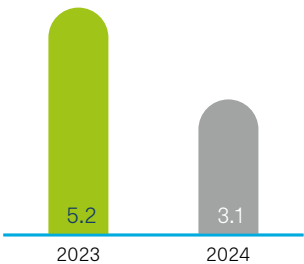
Our business at a glance continued

2024 SALIENT FEATURES

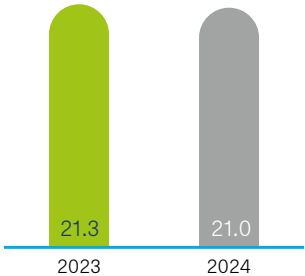
Results across several key financial indicators showed further improvement during 2024, with pleasing progress also shown in our ESG focus areas.

Revenue grew and profitability maintained despite challenges in specific business units.

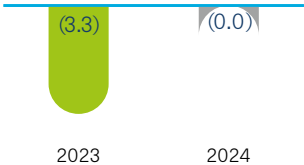
Revenue growth YoY\* (%)



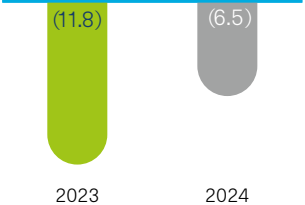
Gross profit margin\* (%)



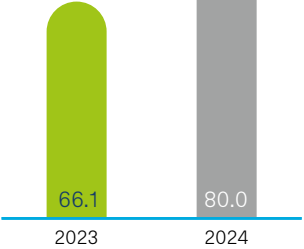
Normalised EBITDA (decline) YoY (%)



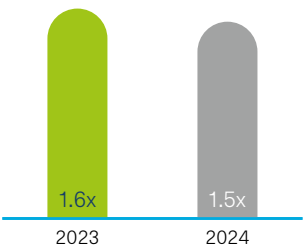
Normalised HEPS (decline) YoY (%)



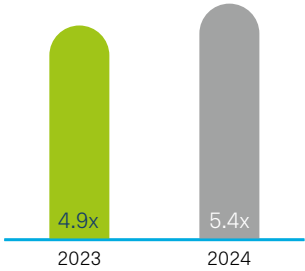
Cash conversion (%)



Gearing ratio



Interest cover ratio



Dividend 15 cps  
(2023: 15 cps)

Gearing improved and cash flows remain strong



## Our business at a glance continued

### Employees

**7 203**

(2023: 7 145)

### Scope 1 and 2 carbon emissions

**122 811 tCO<sub>2</sub>e**

(2023: 125 677 tCO<sub>2</sub>e)

### Socio- economic development spend

**R24.2 million**

(2023: R16.1 million)

### B-BBEE rating

**Level 5**

(2023: Level 6)

### Strong progress in executing each of the strategic focus areas:

- Simplify, Grow and Sustain



### Positive performance across most areas, despite the impact of notable challenges:

- The loss of significant production volumes related to a Food Service customer in the Value-added Meats sub-category

### Ambient Products outperformed:

- 5.4% revenue growth; gross profit margin marginally lower than the prior year at 25.5% (2023: 25.6%); 12.2% growth in EBITDA

### Perishable Products faced headwinds:

- 1.2% revenue growth; gross profit margin reduced to 16.1%; 13.7% reduction in EBITDA

### Group's 2024 leverage target achieved:

- Improved cash conversion to 80%
- Improved interest cover to 5.4x
- Proceeds from disposal of Chet Chemicals



## Our business at a glance continued

### Ambient Products

#### Dry Condiments

Cape Herb & Spice™



**R5.8 billion**  
revenue

(2023: R5.5 billion)

#### Meal Ingredients, Snacks and Spreads

**RIALTO**



**CAPE COASTAL**  
Honey

**49.5%**  
Group revenue

(2023: 48.5%)

#### Wet Condiments

**MONTAGU FOODS**



**RETAILER BRANDS**  
SALES & MARKETING

**R703.1 million**  
EBITDA

(2023: R626.8 million)

#### Baking



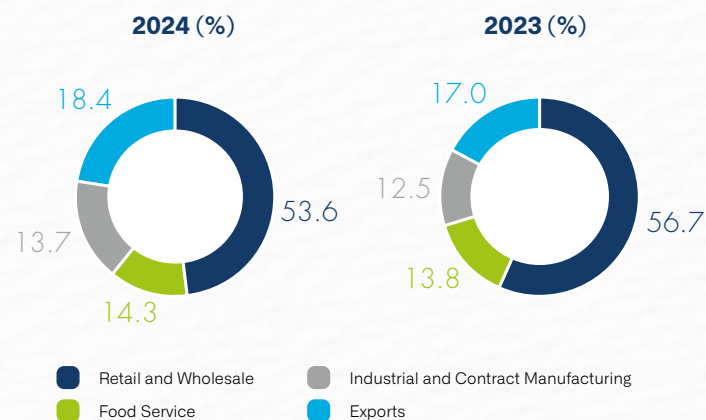
**Can**

**66.5%**  
Group EBITDA\*

(2023: 59.7%)

\* Normalised EBITDA before corporate costs

### Sales channels



### Products

#### Wet Condiments

- Speciality vinegars
- Verjuice
- Dressings
- Cook-in sauces
- Pasta sauces
- Curry sauces
- Pour-over sauces
- Soups
- Stocks
- Marinades
- Condiments
- Chutneys
- Mayonnaise
- Savoury dips

#### Dry Condiments

- Herbs and spices
- Seasonings
- Dessert decoration products

#### Baking

- Wraps
- Croissants
- Speciality breads, rolls and baguettes
- Soft white and brown rolls
- Confectionery/sweet range
- Rusks
- Crunchies
- Cookies and treats

#### Meal Ingredients, Snacks and Spreads

- Pasta, rice and noodles
- Oil, vinegar and dressings
- Sauces and condiments
- Canned products
- Multi-flora and single varieties of honey
- Cereals
- Bars
- Nuts, seeds and fruit
- Spreads
- Confectionery
- Vegan cheese



## Our business at a glance continued

### Perishable Products

#### Dairy

LANCEWOOD®

#### Value-added Meats



#### Convenience Meals



#### Fresh Mushrooms



**R5.8 billion** revenue  
(2023: R5.7 billion)

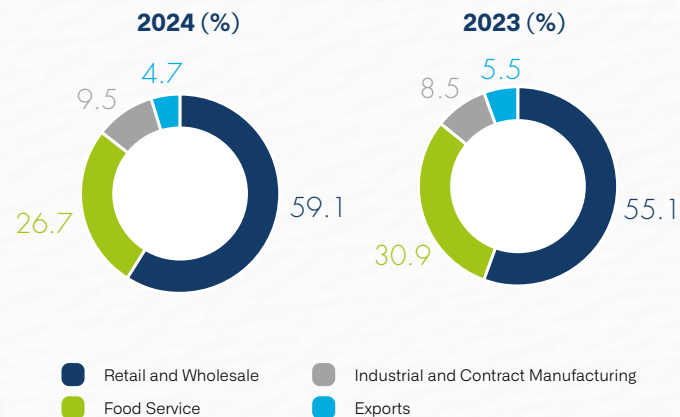
**49.1%**  
Group revenue  
(2023: 50.0%)

**R344.1 million**  
EBITDA  
(2023: R398.6 million)

**32.5%**  
Group EBITDA\*  
(2023: 38.0%)

\* Normalised EBITDA before corporate costs

### Sales channels



### Products

#### Dairy

- Hard cheese
- Semi-soft cheese
- Soft cheese
- Speciality cheese
- Yoghurt
- Butter
- Cream
- Whey powder
- Spreads
- Sauces
- Milk
- Maas
- Buttermilk

#### Value-added Meats

- Formed patties
- Value-added coated beef and chicken products
- Value-added coated pork products (separate facility)
- Value-added coated plant-based protein

#### Convenience Meals

- Fresh and frozen meals and desserts
- Baby foods, sauces and rusks

#### Fresh Mushrooms

- Fresh mushrooms
- Canned mushrooms and buckets of mushrooms in brine

# Investment *case*

## Simplified portfolio

focused on value-added food categories, providing innovative category solutions to industry leading customers

## Established and unrivalled innovative category solution capabilities

support strong customer relationships, and ensure agility to respond to customer and consumer needs

## Structurally well positioned

to capitalise on branded and private label growth trends and export opportunities in the consumer packaged goods sector

## Sustainable business practices

to enhance operational efficiency and financial stability through continued investment

## Entrepreneurial, dedicated management teams

powered by our people to optimise and drive our business forward

## New strategic direction

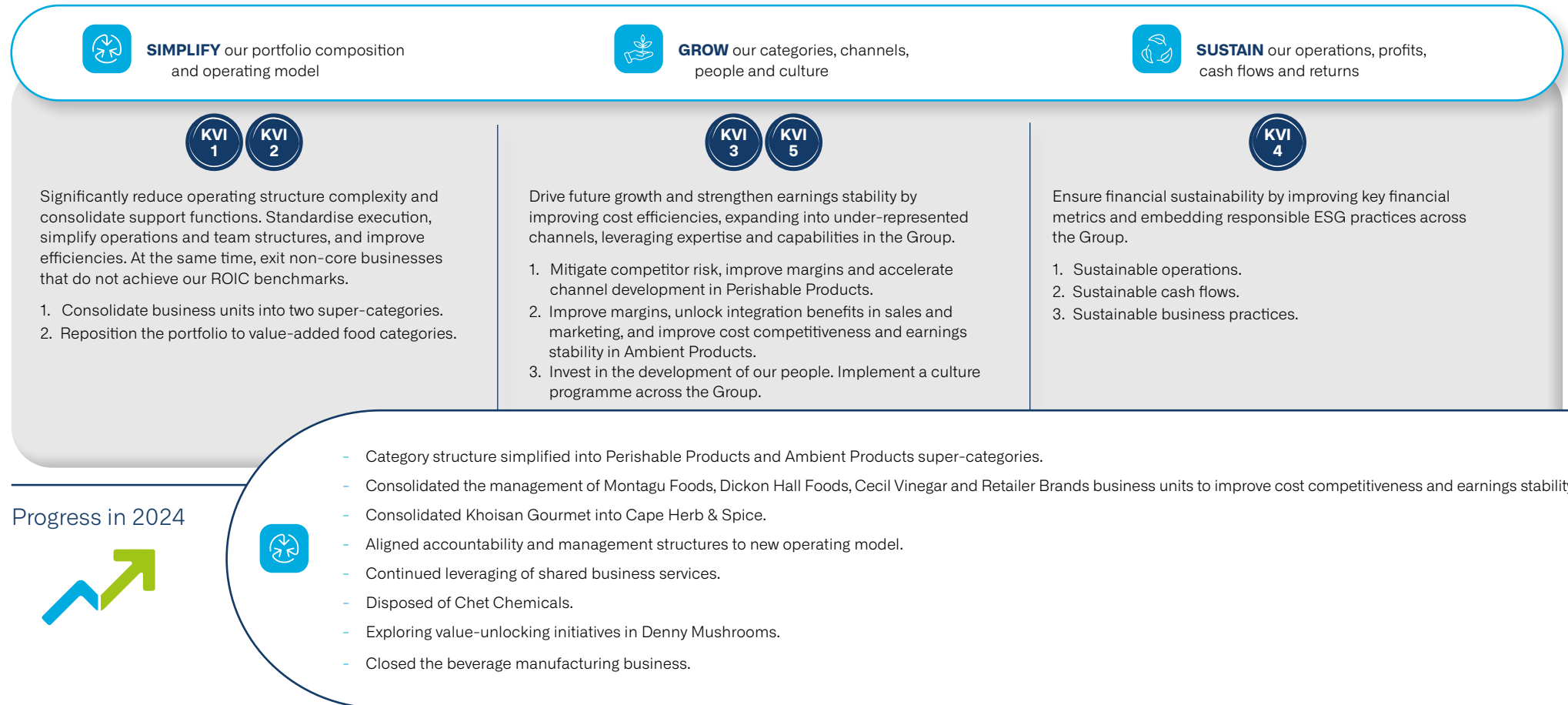
positioned to deliver sustainable, profitable growth and increase stakeholder value





# Our strategy

Libstar's strategy to 2027 is designed to deliver sustainable, profitable growth and stakeholder value by improving execution capabilities and profitability. It is based on a comprehensive strategic review conducted in the first half of 2023, which identified five key value-driving initiatives (KVIs) that target a sustainable improvement in Libstar's cost competitiveness, earnings quality and return on invested capital (ROIC).



## Our strategy continued

### Progress in 2024



- Ambient Products revenue grew by 5.4% and margins remained consistent at 25.5% (2023: 25.6%).
- Perishable Products revenue grew by 1.2% and margins saw a decline to 16.1% (2023: 16.7%).
- New products launched across categories.
- Launched our *One Libstar* values-based, high-performance culture programme.
- Leveraged export expertise of Dry Condiments sub-category.
- Increased the existing Food Service offering by investing in the support structure and expanding the product basket.
- Continued growth of wholesale market participation.



- Continuous evaluation of energy-saving initiatives and solar installation opportunities.
- Capex of R195.2 million (2023: R244.6 million).
- Gearing reduced to 1.5x (2023: 1.6x) vs target of <2.0x.
- Carbon footprint Scope 1 and 2 decreased by 2%.
- Improved B-BBEE rating to level 5 (2023: Level 6).
- Continued integration of sustainability throughout the business, aligned to the three pillars of Libstar's sustainability strategy.
- Continued service level improvements.
- Continued focus on procurement to increase gross profit.
- Increased realisation of labour efficiencies.
- Continued focus on waste reduction and production yield improvements.



**Simplify our portfolio and operating model**



**Optimise our operating model, structure and culture**



**Grow profitably**



**Reduce costs and improve operational efficiency to increase operating profit**



**Improve capability and build capacity to identify, acquire and integrate value accretive categories in 2025 and beyond**

### Objectives to improve

Cost competitiveness

Earnings quality

ROIC



## Our strategy continued



### Strategic objectives from 2023

Grow the Group's profitability in existing and new channels and categories, also ensuring that existing operations operate efficiently and profitably.

Optimise the Group's portfolio composition by divesting from unprofitable or sub-optimal categories.

Improve the sustainability of cash generation by reducing net working capital investment.

### Performance

The Group's gross profit margin reduced slightly from 21.3% in 2023 to 21.0% in 2024, and the normalised operating profit margin decreased from 5.9% to 5.4%. This was driven by the supplier diversification strategy of a major customer in the Perishable Products Food Service channel.

The Exports, Industrial and Contract Manufacturing channels showed strong performances with volume growth achieved. Production benefited from our ongoing focus on efficiencies and improved demand planning.

The sale of Chet Chemicals became effective on 30 December 2024. The Group ceased its beverage manufacturing operations of Chamonix Spring Water in August 2024. Libstar continues to explore strategic options for Denny Mushrooms and the remaining non-food business, Contactim.

Net working capital was 18.0% of Group revenue in 2023 due to port delays, rising input costs and weak demand for bulk tea. In 2024, net working capital increased to 19.1% due to an increase in inventory levels, primarily due to a significant inflow of unprocessed milk in the Dairy sub-category along with increased stockholdings to mitigate continued port inefficiencies.

In 2024, the Group reclassified accounts, impacting revenue (refer to note 34 in the consolidated Annual Financial Statements for further details). The reclassification reduced revenue and therefore increased the Group's net working capital target as a % of revenue by 1%. The Group target range therefore increased to 16%-18%, from 15%-17% in the previous period.



## Our strategy continued

### 2024 key strategic objectives

Improve the sustainability of the Group's balance sheet and optimise the Group's debt position by reducing capital expenditure, improving cash conversion and returning gearing to <1.5x normalised EBITDA.



### Performance

Capital expenditure as a percentage of Group revenue decreased to 1.7% in 2024 (2023: 2.1%), with a primary focus on capacity-enhancing projects in identified growth areas, as well as critical maintenance and safety projects. The Group's target range for capital expenditure as a percentage of net revenue remains between 2.0% to 3.0%.

Cash conversion improved to 80% (2023: 66%), above our target of >65% and gearing improved to 1.5 times normalised EBITDA in 2024 (2023: 1.6 times) due to focused capital allocation and proceeds received from the sale of Chet Chemicals.

Net interest cover remains strong at 5.4 times (2023: 4.9 times) comparing favourably to our target of >3.5 times.

Finalise simplification of portfolio and implement operating model change.



Successful sale of the Chet Chemicals HPC business and the closure of the Beverages business unit.

The operating model change started with the simplified super-category structure. Further simplification was implemented in the Dry and Wet Condiment sub-categories.

Consider share buy-backs as a mechanism to unlock stakeholder value.



Share buy-backs and other mechanisms to unlock stakeholder value remain under consideration.

Achieve sustainable improvements in ROIC annually towards our medium term ambition of weighted average cost of capital (WACC) plus 2% by 2027.



ROIC decreased to 8.6% in 2024 from 9.8% in 2023. Improving capital productivity is a core focus of the Group's strategy.

### 2025 key strategic objectives

- Operating model change finalised and operational.
- Create a shared-services structure in the Wet Condiments sub-category to improve operational capabilities.
- Invest in high-margin dairy categories, expanding soft cheese and yoghurt offerings.
- Further develop markets for the Value-added Meats sub-category.
- Integrate Rialto, Ambassador Foods and Cape Coastal Honey to improve customer alignment and better position the business for growth.
- Grow Ambient Products Exports and Food Service offerings.
- Continue to focus on operational efficiency and procurement strategies.
- Develop and uplift our people and continue strengthening our culture.





# Realising operational efficiencies across the *Group*

The Group's central office oversees and coordinates efficiency improvements and cost reductions across Libstar. The simplification of the Group's operating structure and increased integration has moved Libstar from a fragmented operational structure to a more collaborative structure. This enabled us to implement standardised factory efficiency measurements and identify and share best practice more effectively.

Initiatives implemented in 2024 include:



**Reduce costs and improve operational efficiency to increase operating profit**

1

We enhanced service level monitoring and implemented Group procurement, capex spend control and vetting, as well as centralised asset care standardisation.



We use a dual or multiple supplier strategy for items critical to the manufacturing process to manage supply chain risk and improve price inflation control.



Group procurement helps us leverage the buying power of commonly procured items. For example, in corrugated procurement, we reduced suppliers from 14 to 2. Other common items procured include the rental of pallets for which we signed a favourable three-year agreement.

2

We have centralised reporting of key performance metrics across the Group in a shared database, enabling ongoing monitoring of labour efficiencies, maintenance spend, stock and job variances.



Customer service levels for each business unit are reported and monitored centrally, with detailed information on the reasons for and impact of poor performance, enabling prompt follow up.

3

Standardised software is being rolled out to improve demand planning and forecasting.



Process yields are extremely important in the food industry to reduce waste. The Group recently implemented the central tracking and reporting of yields. Some of our more automated sites run live yield calculations on each part of the production process. However, for most sites, waste control is an area that requires more focus.

4

Each business has targets to manage and reduce waste, energy usage and resource consumption. These targets are incorporated into managers' performance evaluations which factor into STI calculations.



Electricity is one of the largest cost drivers in our manufacturing operations. Live metering at all sites allows us to analyse and understand electricity consumption and demand. This data is used in planning and feasibility studies for solar installations and tariff optimisation.

Initiatives to reduce electricity consumption include solar energy systems at five of our 26 manufacturing sites. We continue to investigate opportunities, although further implementations have been delayed due to complexities in lease agreements and structural challenges at the sites.



We have generators at each site and water storage for at least two days to ensure continued production in the event of supply interruptions. Water supply interruptions are a significant risk for our facilities in Gauteng and we continue exploring the feasibility of sinking boreholes at sites in the province.



# CEO's review



Libstar's results for the year ended 31 December 2024 reflect both promising, sustainable successes achieved from the execution of the Group's Simplification, Growth and Sustainability strategy, as well as the material impact of limited, yet notable, challenges.

## Trading overview

The Group has made strong progress in executing in each of the three focus areas of its strategy, supported by a strong performance of the Ambient Products category. However, this positive trajectory has been tempered by the impact of the loss of significant production volumes related to a Food Service customer in its Perishable Products category. While material, this challenge does not detract from the overall strategic progress and resilience demonstrated by the Group.

Group revenue increased by 3.1%. Sales volumes declined by 3.2%, while selling price inflation and mix changes contributed 6.3% to sales growth. Group normalised EBITDA remained consistent to the prior year at R974 million at a margin of 8.3% (2023: 8.5%).

## Ambient Products

The Ambient Products category outperformed, delivering revenue growth of 5.4%, marginally lower gross profit margins of 25.5% (2023: 25.6%) and normalised EBITDA growth of 12.2%.

The category outperformance was attributable to the simplification of the Group's operating model and its growth focus, in particular within the Wet Condiments and Dry Condiments sub-categories. The Exports and Food Service channels delivered volume growth of 8.1% and 4.2% respectively, driven by growth of the Group's own-branded and principal-branded offerings.

## Perishable Products

The Group's Perishable Products category faced headwinds, reflected in revenue growth of 1.2%, a reduction in gross profit margins to 16.1% (2023: 16.7%) and a reduction in normalised EBITDA of 13.7%.

In the Value-added Meats sub-category, a major Food Service channel customer diversified its beef procurement, resulting in an under-recovery of fixed costs, lower gross profit margins and profitability.

The Dairy sub-category faced challenges in the second half of 2024 due to industry-wide cyclical pressures. A significant inflow of unprocessed milk, due to higher national production, led to elevated inventory levels, intensifying competitive price promotions across both Retail and Food Service channels. This resulted in margin compression and a more volatile pricing environment. Additionally, the outbreak of foot and mouth disease in the Eastern Cape in April 2024 disrupted supply chains, increasing transportation costs and impacting production yields at our Swellendam plant. These factors collectively created a challenging operating environment.

## Capital allocation, net working capital and gearing

Capital expenditure was R195.2 million in 2024 (2023: R244.6 million) with projects mainly in the areas of efficiency, critical maintenance, quality and safety. This represents 1.7% of net revenue (2023: 2.1%) and is at the lower end of our target range of 2.0% to 3.0%.

Net working capital increased to 19.1% of Group revenue (2023: 18.0%) due to an increase in inventory levels. This was primarily as a result of a significant inflow of unprocessed milk in the Dairy sub-category along with increased stockholdings to mitigate continued port inefficiencies.

The Group's EBITDA to term debt gearing ratio reduced to 1.5x (2023: 1.6x) normalised EBITDA, within the stated target of 1x to 2x and approaching our target for the year of less than 1.5x.

Capital productivity is a priority and, although return on net assets improved in the Ambient Products category, the underperformance of the Perishable Products category resulted in a reduction of adjusted ROIC to 8.6% (2023: 9.8%). We remain committed to our long-term ROIC ambition of WACC of 12.0% (2023: 12.7%) plus 2%.



## CEO's review continued

### Advancing our strategy

Good progress was made in implementing our Simplify, Grow and Sustain strategy by delivering on our five KVIs.

### Simplifying the portfolio and streamlining operations

The Simplification pillar of our strategy focuses on simplifying our portfolio of businesses and operating model to improve efficiencies, reduce duplicated costs and leverage best practice in the Group.

We concluded the disposal of Chet Chemicals from our non-core Household & Personal Care (HPC) category and closed the Chamomix Spring Water plant. We continue to explore options regarding Contactim, the remaining HPC business, as well as Denny Mushrooms. These disposals reduce Group exposure to underperforming assets, improving margins and ROIC.

Operational simplification in 2024 included the integration of Khoisan Gourmet and Cape Herb & Spice, and the relocation of spice packing lines from Retailer Brands to Cape Foods, which reduced costs and increased efficiencies in these businesses.

In the year ahead, further integrations will follow in the Ambient Products category, including the creation of a shared-service structure in the Wet Condiments sub-category to realise cost savings and reduce exposure to contract manufacturing volatility. Our Rialto (Retail Meal Ingredient), Ambassador Foods (Snacking) and Cape Coastal Honey (Spreads) divisions, which share common customers, will be integrated to improve commercial alignment and bolster our technical and product development capabilities. We also plan to standardise and centralise support functions such as Finance, IT and HR to reduce costs and align with best practice across the Group.

### Category and channel growth

All business units monitor industry and consumer trends to develop innovative new products that expand the Group's offerings. Our various business teams collaborated with the Cape Herb & Spice's export sales team to increase our offerings in new and existing export markets. Exports channel revenue grew ahead of Retail channel revenue as a result. Cape Herb & Spice achieved new brand listings in major retail chains in Switzerland, United Kingdom

and Ireland. Montagu Foods in the Wet Condiments sub-category achieved British Retail Consortium (BRC) food safety and quality accreditation, improving future access to Exports channel markets.

The Food Service channel team in Rialto added products from other business units into their catalogue, increasing sales volumes in the channel.

### Our people and culture

Libstar believes that our greatest strength lies in our people, and we strive to create a workplace where our employees feel safe, valued, supported and heard.

Enhanced health and safety monitoring during the year, saw a further reduction in the Group's disabling injury frequency rate to 1.1 (2023: 1.5).

During 2024, we completed a Group-wide People Survey and rolled out our *One Libstar* culture programme. We also prioritised succession planning and further training to upskill and develop our people.

### Sustaining our operations, profits, cash flows and returns

Our ESG strategy drives our sustainability initiatives across environmental, social and governance aspects.

All business units are mandated to continue to investigate opportunities to implement and extend renewable energy solutions and continue to minimise water use.

One of our key projects is aimed at leveraging the Group's buying power to achieve procurement savings. In 2024 these initiatives realised annualised savings of R10 million on corrugates and R2 million on pallets, and we are looking for more opportunities across the Group.

### Looking ahead

Recent developments have introduced significant uncertainty around economic growth and political stability – locally and internationally. The looming threat of an international trade war, with its potential impact on global growth, interest rates, and currency stability, adds to the existing uncertainty surrounding the durability of South Africa's government of national unity.

Together, these factors are likely to exert increasing pressure – both directly and indirectly – on South African consumers in the year ahead. As a business, our priority is to navigate these challenges strategically: managing costs effectively, exploring new markets and territories for Libstar's products, and upholding the highest standards of quality and consumer trust.

As a management team, we remain resolute in executing our strategy to enhance the Group's cost competitiveness, earnings quality, and return on invested capital (ROIC). I am deeply grateful to our teams for their commitment to embracing and driving positive change across the Group as we advance on our *One Libstar* journey.

I also wish to thank the Board for their invaluable counsel and support to both myself and the broader leadership team. To our investors, we reaffirm our full commitment and accountability to delivering on our objectives in a manner that unlocks the intrinsic value of the business. And finally, to all our trading partners, employees, and stakeholders – thank you sincerely for your continued support.

#### To our outgoing Chairman

On behalf of the Board and management, I would like to express deep gratitude to our Chairman, Wendy Luhabe, for her exceptional leadership and unwavering commitment over the past seven years. During her tenure, Wendy played a pivotal role in guiding the Company through significant transitions, particularly in leading the shift from a founder-led business to a new leadership team.

Her exceptional ability to steer Board meetings with both authority and grace, while fostering an environment of open dialogue and thoughtful discussion, has been invaluable. Her presence, insight, and steady guidance will be greatly missed by both management and the Board.

We wish Wendy all the best in her future endeavours.



# Business *overview*

- 18 How we meet our customers' needs
- 19 Where we operate
- 20 Our value chain
- 22 Our Board
- 24 Our business model
- 26 Our material matters





# How we meet our customers' *needs*

Libstar's products reach consumers through four distribution channels and three brand solutions, which are described below.

## Distribution channels

### Retail and Wholesale

**56.8%**



We supply products to wholesalers, supermarkets and other retailers. Libstar's brand solutions and our strong relationships with South Africa's largest food retailers allow us to position our brands alongside dealer-own, private label and principal brands.

### Industrial and Contract Manufacturing

**11.5%**

We manufacture products for trusted brand owners in South Africa.

### Food Service

**20.2%**



We manufacture and supply products in our Dairy, Value-added Meats, Fresh Mushrooms, Dry Condiments, Wet Condiments, Meal Ingredients, Spreads and Baking sub-categories to the food service industry, including quick service and sit-down restaurants.

### Exports

**11.5%**



Libstar exports to more than 60 countries.

## Brand solutions

Libstar brand solutions make up 84% of total revenue, with outsourced manufacturing solutions and unbranded food service solutions making up the balance.

### Private label and dealer-own brands

**52.2%** of branded products

Libstar manufactures a range of products on behalf of retailers that are branded under the retailers' name (private label brands) or under a unique name (dealer-own brands) available exclusively at that retailer.

### Principal brands

**7.7%** of branded products



The Group represents several well-known local and international brands in South Africa. We source, import, market and distribute these brands under a purchase or distribution arrangement with the owners of the brand. Many of these products are imported, marketed and distributed from European, Asian and American food manufacturers.

### Libstar brands

**40.1%** of branded products

#### Owned



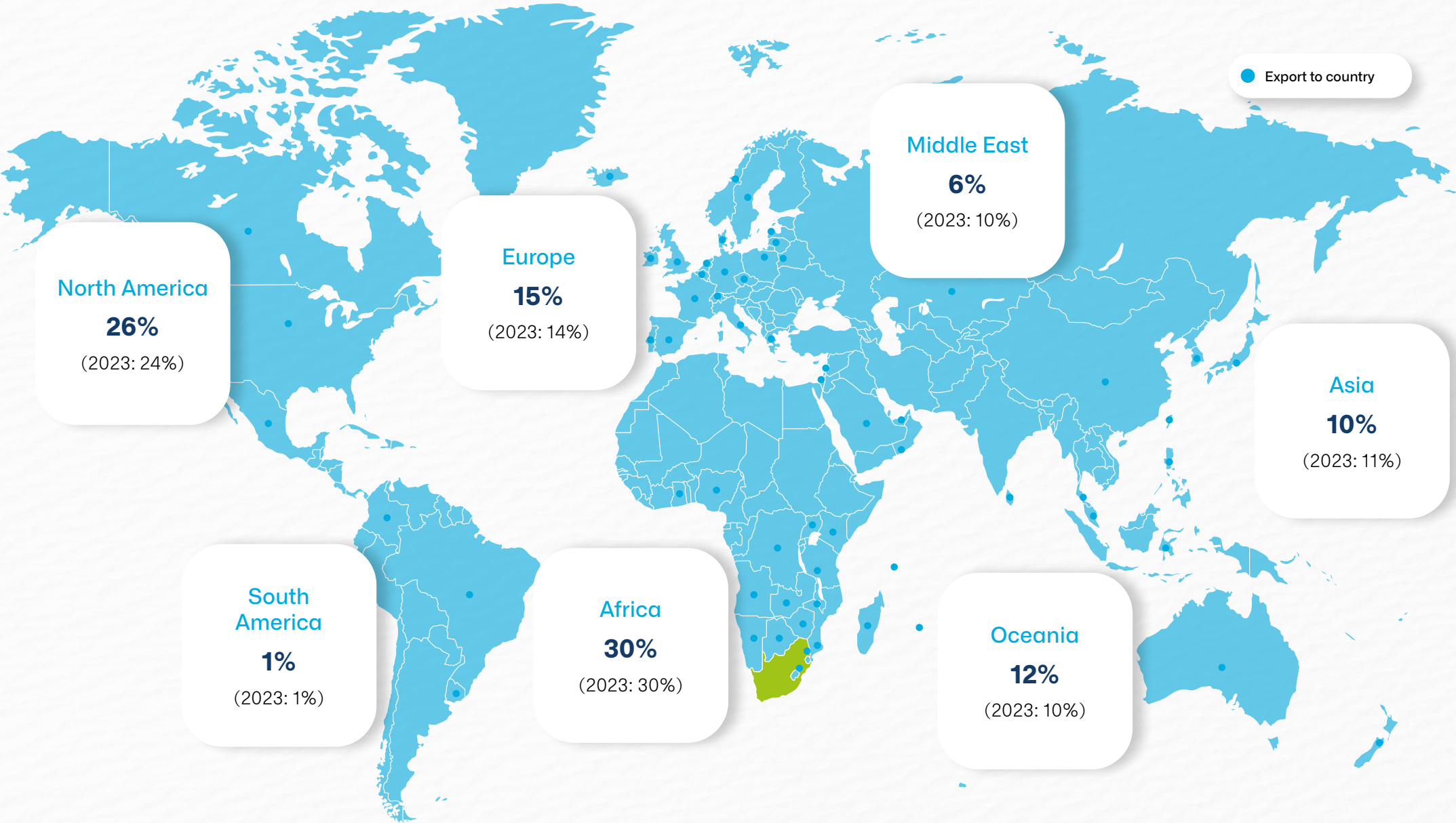
#### Licensed



Libstar owns several well-known brands that we produce and distribute. These are sold under labels and trademarks that are proprietary to the Group or produced and distributed by us under licence agreements with brand owners.

# Where we operate

Libstar's business units, situated in the Western Cape, Gauteng, KwaZulu-Natal and Mpumalanga, export to more than 60 countries globally, realising revenue of R1.4 billion in 2024 (2023: R1.3 billion).





# Our value chain

Libstar generates value by developing distinctive products for customers and consumers, efficiently manufacturing these products at our state-of-the-art facilities, and ensuring their distribution to end users. Our integrated value chain is underpinned by strong supply chain management and commitment to the highest standards of food quality and food safety. Our strategy targets various initiatives to reduce operating costs, improve operational efficiency, and optimise the Group's supply chain, with a specific focus on procurement, yield improvement, plant-efficiency, demand planning and service levels.

**Risks mitigated by:** ● Supply chain management ● Food safety

## Supply chain management ●

Libstar's supply chain is decentralised and managed by the business units, according to their needs. This includes procurement, product safety, quality management, occupational health and safety, environmental management, industrial relations and sustainability.

Libstar adheres to strict quality standards throughout the product value chain. The supply chain governance policy is based largely on ISO standards and has been widely implemented by the business units. There are more than 150 certifications across more than 50 different certification codes at the business units that confirm the high standards of the Group's production facilities and the commitment to quality management.

Libstar is independently audited by several customers to ensure responsible operations, with a key focus on our supply chain, food safety and resource management.

## Food safety ●

Food safety is at the core of everything we do. On-site integrated management system verification assessments are routinely conducted to determine compliance with Libstar's food safety protocols. Libstar's in-house quality teams conduct continuous product food quality and safety testing. Protocols have been implemented to address potential product recalls. Regular audits are performed by independent auditors and/or customers.

Group certifications include:

- FSSC 22000 (global food safety management standard) compliance for all food production facilities.
- BRC (international food safety standard) for Wet Condiments and Cape Foods.
- ISO 9001 (global quality management standard) for non-food manufacturing units.
- Halal and Kosher certifications to confirm that our processes and products meet certain religious and cultural requirements.

## PRODUCT INNOVATION

Libstar's research and development teams develop innovative category solutions that meet the evolving needs of our customers and consumers.

### Our approach

Ongoing research and participation in international trade shows help our teams to stay at the forefront of global trends and understand market requirements.



## PROCUREMENT ● ●

Libstar sources raw materials from more than 500 South African and international suppliers. Where required, we source raw materials from suppliers pre-approved and/or accredited by our customers.

We are increasing our focus on sustainable and responsible sourcing as part of our ESG strategy.

### Key risks:

- Supply chain disruptions affecting availability and price of critical raw materials and packaging goods.
- Rising input costs affecting profitability.
- Food quality and safety.

### Our approach

Our businesses have developed strong relationships over many years in their supply networks.

We take care to ensure that the Group sources raw materials from suppliers who meet the strict quality standards set by the Group and our customers.

Major customers conduct regular audits of suppliers of key inputs for their products that include factory standards, ingredients, food safety, food quality, social and ethical compliance and packaging standards.

Business intelligence tools improve long-term forecasting and stock holding models, which secures product in advance to ensure sufficient supply and reduce the need for spot buying. Wherever possible, we use a multiple supplier and origin strategy to reduce reliance on a single supplier.



## Our value chain continued

Risks mitigated by: ● Supply chain management ● Food safety

### MANUFACTURING EXCELLENCE ● ●

Our 26 manufacturing facilities across South Africa comprise more than 200 production and packaging lines. There are more than 75 unique manufacturing technologies across the business units.

#### Key risks:

- Deteriorating infrastructure affecting electricity and water supply.
- Food quality and safety.
- Related reputational impacts and financial losses.

#### Our approach

All sites have generators to provide uninterrupted electricity as well as boreholes and/or water storage tanks. We have installed solar power at several sites and are considering further opportunities, as well as continuing to investigate alternative water and power solutions.

We have stringent food safety protocols in place and conduct product tests across manufacturing sites.

### EXCEPTIONAL CUSTOMER SERVICE AND EFFICIENT DISTRIBUTION ● ●

We maintain close and long-standing relationships with customers. Group and business unit management regularly assess changes in our customer strategies which may impact Libstar.

#### Key risks:

- Supply chain disruptions affecting delivery of finished goods to customers.
- Food quality and safety.

#### Our approach

- Establishing alternative suppliers and sourcing strategies.
- Engaging with suppliers, logistics providers and customers to enhance communication and agility to address issues when required.

### WASTE

Outputs from our activities include food and packaging waste, water waste and carbon emissions.

#### Key risks:

- Increased operational costs from waste disposal, inefficient production, and excess inventory increase operational costs.
- Water and resource depletion.
- Non-compliance with waste disposal laws can result in fines.


#### Our approach

Our manufacturing processes focus on minimising waste to landfill. We continue to investigate ways to reduce municipal water intake and effluent outflow. We monitor our carbon footprint and investigate ways to reduce carbon emissions, including rolling out solar energy generation at our facilities.







# Our Board

 Audit and Risk Committee

 Remuneration Committee

 Nomination Committee

 Social, Ethics and Transformation Committee

 Investment Committee

 Chairperson



## WENDY LUHABE (68)

Chairman of the Board and Independent Non-Executive Director\*

- BCom Management – University of Lesotho
- Programme on Management Advancement – Wits Business School

### Appointed to the Board in 2018

Wendy has been a pioneer and a thought leader in respect of economic empowerment of women in South Africa for more than 30 years. She is a serial social entrepreneur in diverse sectors of the economy, including Smart BioTech. She is passionate about human capital development and the mentorship of younger generations to realise their potential and fulfil their aspirations throughout her career.

Over the years, she has received four Honorary Doctorates for her transformative work with women, including from the Universities of Fort Hare and Stellenbosch. In 1993, Wendy pioneered the creation of WIPHOLD, South Africa's first investment company aimed at inspiring women to drive their involvement in South Africa's economy. In 2013, she founded Women Private Equity Fund, South Africa's first venture capital company that invests in companies owned by women.

She has served as a Non-Executive Director and chairman on the Boards of diverse industries for more than 30 years. Wendy currently serves as the chairman of Pepkor Holdings, as a Non-Executive Director of Compagnie Financière Richemont SA, and as a Board member of the Mzansi National Orchestra.

\* Wendy Luhabe will step down as Chairman of the Board at the 2025 AGM and will be replaced by JP Landman.



## JP LANDMAN (70)

Lead Independent Non-Executive Director\*

- BA LLB - University of Stellenbosch
- MPhil in Future Studies (Cum Laude) – University of Stellenbosch
- Programme on Macroeconomic Policy Management – Harvard
- The Economies of the BRICS countries – Oxford University, Continuing Education

### Appointed to the Board in 2018

JP is an independent analyst, focusing on trends in politics, economics, demographics and social capital. His experience as a top-rated analyst in the listed environment gives him a good understanding of listed entities and relevant market forces.

JP previously served on President Thabo Mbeki's economic advisory panel and was a member of the National Planning Commission. With this in-depth knowledge of the economy and market environment, he provides key input to the Board and management. This is especially relevant to Libstar's strategy that focuses on identifying market trends and implementing a strategy that can withstand economic cycles.



## ANNEKE ANDREWS (57)

Independent Non-Executive Director

- BCom Accounting (Honours), CTA – University of Pretoria
- CA(SA)

### Appointed to the Board in 2020

Anneke is a chartered accountant. She served as a partner and director for 19 of her 28 years at Deloitte, where she held several leadership roles and served as a lead client services director on a number of key clients. Her diverse experience spans audit, risk and governance, finance, human capital, business management and leadership across a wide spectrum of industries.

She has extensive experience in assisting management in achieving their goals by mobilising the appropriate strategies and allocating the required resources in a prioritised manner. Her ability to find creative solutions, coupled with innovative thinking and a keen interest in the opportunities that future trends and technologies offer, are particularly valuable to Libstar in challenging existing paradigms.



## SANDEEP KHANNA (52)

Independent Non-Executive Director

- Chartered Global Management Accountant
- Associate Member of the Chartered Institute of Management Accountants (UK)


### Appointed to the Board in 2014


Sandeep is a seasoned investor and pioneer of private equity, with more than 26 years of investing and fund management experience in Africa. This experience ranges from venture capital and early-stage investing to management buyouts and building of companies in sub-Saharan Africa across several sectors.


His track record of investing in Africa through direct investment, investment committee membership and senior key leadership positions held at two leading emerging market fund management firms provide relevant experience to Libstar as an African group that continues to evaluate acquisitions that will ensure growth.


As a chartered management accountant in the United Kingdom, Sandeep's understanding of the global markets to which Libstar exports allows him to provide critical input as a member of the Investment Committee.

## Our Board continued

 Audit and Risk Committee

 Remuneration Committee

 Nomination Committee

 Social, Ethics and Transformation Committee

 Investment Committee

 Chairperson



### SIBONGILE MASINGA (58)

Independent Non-Executive Director

- BCom – University of Johannesburg
- Programme on US-SA Leadership and Entrepreneurship – Wharton School of Business
- Programme on designing and executing corporate revitalisation – Harvard Business School

#### Appointed to the Board in 2018

Sibongile is a co-founder and shareholder of Afropulse Group, a women-led investment, corporate advisory and investor relations group. She is the CEO of Delta Property Fund Limited. She has served as a Non-Executive Director of several JSE-listed companies. She currently serves on the Board of Botshilu Private Hospital and its related sub-committees.

Her past directorship of the finance and grant committee of the Manufacturing, Engineering and Related Services Sector Education and Training Authority (merSETA) provides her with particularly relevant knowledge to contribute to the Libstar Board.



### CHARL DE VILLIERS (41)

Chief Executive Officer

- BAcc LLB (cum laude) – University of Stellenbosch
- BAcc (Hons) – University of Stellenbosch
- CA(SA)

#### Appointed to the Board in 2020

Charl is a chartered accountant with more than ten years' experience in the financial and manufacturing sectors.

He was appointed as a Senior Financial Executive in 2017, before being promoted to Chief Financial Officer in 2020. Charl was appointed as Chief Executive Officer in 2023.



### TERRI LADBROOKE (38)

Chief Financial Officer

- BBusSc (Finance) – University of Cape Town
- BAccSc (Hons) – Unisa
- CA(SA)

#### Appointed to the Board in 2023

Terri is a chartered accountant with more than ten years' experience. She worked at Grant Thornton in South Africa before completing a secondment in Charlotte, North Carolina. She joined Libstar in 2015. She has held various financial and leadership roles at the Group, including that of Group financial controller and internal audit manager at Libstar Operations, and management accountant and finance and operations executive at Rialto.

Terri has a deep understanding of the operating environment after almost ten years with the Group. Her experience at Rialto, one of Libstar's key business units, is particularly relevant. She has a track record of successfully integrating functions across business units, as well as extensive knowledge of the reporting processes and systems implemented.



### CORNÉL LODEWYKS (49)

Executive Director

- BCom (Management) – Lyceum College
- PGDip (Organisational Leadership) – Oxford University

#### Appointed to the Board in 2023

Cornél is the Managing Executive of Lancewood, Libstar's largest operating business unit. He has over two decades of experience in the Fast-Moving Consumer Goods (FMCG) industry and has played a vital role in Lancewood's success. Cornél joined Lancewood in 2011 as Trade Marketing Manager and progressed through the ranks, being promoted to Managing Executive in 2015.

From January 2024, Cornél assumed the role of the Perishable Products Managing Executive for the Perishable Products category in addition to his current responsibilities at Lancewood.



### NTOKOZO MAKOMBA (39)

Company Secretary

- LLB – University of the Free State
- LLM – University of Stellenbosch

#### Appointed Company Secretary in 2022

Ntokozo is an admitted attorney, with over a decade of experience as in-house general counsel and company secretary in the listed environment. Ntokozo began her career in 2011 as a candidate attorney, later practising as a commercial attorney before moving into in-house counsel and company secretarial roles in the food and furniture retail industries.

Ntokozo has extensive experience supporting the Board and its sub-committees. She also oversees the Group's environmental, social and governance (ESG) portfolio.



# Our business model

## One Libstar

As One Libstar, we unlock value through the sustainable, profitable growth of our select portfolio of consumer-inspired food brands and the development of innovative category solutions. We achieve this by being trusted partners, working closely with our customers and constantly enhancing our reputation as one of South Africa's leading producers and distributors of high-quality products and brand solutions.

### Inputs

FC	Financial capital	IC	Intellectual capital
MC	Manufactured capital	SRC	Social and Relationship capital
HC	Human capital	NC	Natural capital

### We create value for stakeholders through a diverse and robust portfolio of businesses

#### Value-adding activities

Grow and protect our brands, private label solutions and category positioning by:

- Optimising and repositioning our portfolio towards value-added food categories.
- Focusing on key competencies.
- Growing categories and market share.

Focus on operational excellence and execution, developing our people, measuring efficiencies, cost and margin management and strong cash generation by:

- Focusing on costs and the interplay with selling prices.
- Maintaining and improving service levels.
- Executing on strategic acquisitions.

#### Key strengths



Global reach with over 60 export countries, supporting category growth and market share.



Quality and variety of products aligned with value-added food focus.



Deep understanding of market and consumer trends drives brand and private label growth.



World-class manufacturing supports cost efficiency and service level delivery.



Entrenched customer relationships enable private label solutions and portfolio optimisation.



The talent and expertise of our people underpin operational excellence and execution.



Strong presence in high-growth, value-added food categories supports portfolio repositioning.



Diverse brand solutions aligned with strategic focus on category positioning.



Low exposure to volatile commodities in value-added products.

#### Outputs

- 222.8 million kgs/litres of finished goods produced.
- Several new product innovations launched in collaboration with customers.
- 23.5 million kgs of waste generated.
- 122 811 tCO<sub>2</sub>e in Scope 1 and 2 emissions.
- R1.5 billion paid in salaries and wages, with R38.5 million invested in skills development.
- Nine learners absorbed after completing learnerships.
- R8.6 billion procured from suppliers, with increased volumes and reduced supplier numbers.
- R102.3 million in dividends declared and R169.9 million paid in interest.
- Cash conversion increased to 80% and gearing reduced to 1.5x.

Supported by entrenched values and a dedicated focus on responsible and sustainable operations within rigorous governance guidelines and a developing ESG framework

#### Environment

#### Social

#### Governance

#### Our values

Agile

Champions for good

Performance-driven

Consumer-inspired

Accountable

## Our business model continued

Financial capital FC	Manufactured capital MC	Human capital HC	Intellectual capital IC	Social and Relationship capital SRC	Natural capital NC
The financial resources available to us include shareholder equity, debt funding and retained profits.	Libstar's world-class manufacturing facilities transform raw inputs into high-quality food products.	Our high-calibre team differentiates us with customers.	Libstar's trusted brands help us to grow market share, maintain customer relationships and attract new customers.	Our strong relationships with customers, suppliers, other stakeholders and broader communities are essential to our ability to create value.	Natural inputs for our activities include raw materials including milk, animal products, cereals, grains, water and energy for our manufacturing facilities and distribution fleet.
<b>Inputs</b>					
<ul style="list-style-type: none"> <li>Market capitalisation of R2.97 billion at 31 December 2024 (2023: R2.4 billion).</li> <li>R27 million (2023: R20.2 million) interest earned.</li> <li>Resilient balance sheet, with net debt to normalised EBITDA of 1.5x (2023: 1.6x).</li> </ul>	<ul style="list-style-type: none"> <li>37 accredited manufacturing and distribution facilities.</li> <li>More than 200 production and packing lines.</li> <li>More than 75 unique manufacturing technologies across the business units.</li> <li>R197 million (2023: R245 million) invested in capital expenditure projects to improve our manufacturing operations.</li> </ul>	<ul style="list-style-type: none"> <li>7 203 permanent employees (2023: 7 145).</li> <li>R38.5<sup>^</sup> million (2023: R36.9<sup>^</sup> million) invested in skills development.</li> <li>Experienced executive team and Board.</li> </ul> <p><sup>^</sup> Includes salaries, stipends and other related expenditure during training. These are recognised for B-BBEE verification purposes.</p>	<ul style="list-style-type: none"> <li>Ongoing research and development, as well as collaboration with customers to develop innovative brand and category solutions.</li> </ul>	<ul style="list-style-type: none"> <li>Long-standing customer relationships, some exceeding 20 years.</li> <li>Constructive engagement with customers facilitated price increases in tough market conditions.</li> <li>Adherence to regulations.</li> <li>Positive supplier engagements.</li> <li>Ongoing investment in communities.</li> </ul>	<ul style="list-style-type: none"> <li>222.8 million kg/litres of finished goods were produced (2023: 230.1 million kg/litres).</li> <li>78 257 099 kWh of electricity used (2023: 72 300 320 kWh).</li> <li>1 628 061 Kl of water consumed (2023: 1 369 249 Kl).</li> <li>674 kg of gas used (2023: 405 kg).</li> </ul>
<b>Outcomes</b>					
<ul style="list-style-type: none"> <li>Revenue increased by 3.1% to R11 774 million (2023*: R11 419 million).</li> <li>Normalised EBITDA R974 million (2023: R974 million).</li> <li>Cash generated from operations R794 million (2023: R766 million).</li> <li>R169.9 million (2023: R185.8 million) paid to debt funders in interest.</li> <li>Dividend per share of 15 cents (2023: 15 cents).</li> <li>Normalised HEPS of 53.4 cents (2023: 57.1 cents).</li> <li>ROIC of 8.6% (2023: 9.8%).</li> <li>Group operating cash conversion ratio 80% (2023: 66%).</li> </ul>	<ul style="list-style-type: none"> <li>Most of the business units produced a good operating result, with minimal service level interruptions to customers despite supply chain and infrastructure challenges.</li> </ul>	<ul style="list-style-type: none"> <li>R1 518 million in remuneration and benefits paid to permanent employees (2023: R1 344 million**).</li> <li>92% black and 51% female representation in South Africa (2023: 91% black and 54% female).</li> <li>12 040 training initiatives (internal and external) completed (2023: 10 602).</li> </ul> <p>** Restated: See Note 9 of the Consolidated AFS.</p>	<ul style="list-style-type: none"> <li>Growth in brand positioning, with several market awards and market share gains.</li> </ul>	<ul style="list-style-type: none"> <li>Product and financial donations made.</li> <li>Ongoing focus on supplier relationships.</li> <li>R24.2 million invested in socio-economic development programmes (2023: R16.1 million).</li> </ul>	<ul style="list-style-type: none"> <li>Carbon tax liability of: 2023: R2.2 million and 2022: R2.0 million.</li> </ul>

\* Restated for reclassification corrections. The comparative profit or loss is further restated as if the discontinued operation had been discontinued from the start of the prior year.



# Our material *matters*

In determining the areas of focus for this report, we considered matters that could substantially impact the assessment and decisions of the Board, key stakeholders and the Group's ability to create value over time. The process followed to determine these material matters included:

- Reviews of market research, trends and operating conditions.
- The outcomes of the risk management process.
- Evaluations of stakeholder feedback.
- Incorporating key leadership and Board focus areas and consolidated management input from business units.

The material issues were presented to the Board for sign off as part of the Integrated Annual Report process.

The process concluded that the material matters identified in 2023 remained relevant in 2024:

- Extremely challenging trading conditions.
- Infrastructural deterioration in South Africa, with disruptions to electricity, water and supply chains.
- Aligning our ESG strategy to our value-creation plan.
- Review of our strategy and operating model.







# Our operating *landscape*

28	Chairman's review
30	Our operating context
35	Risk management
39	Stakeholder engagement





# Chairman's review



Libstar has made significant progress in refining our category and channel strategies, resulting in meaningful operational efficiencies and more resilient performance.

## Unified in purpose and driven by performance

We are proud of the improvements and stable performance from our strategic focus to offer quality brands and great food that create special moments in a challenging macro-economic and geopolitical context.

As *One Libstar*, we are committed to unlock value for our stakeholders through the sustainable, profitable growth of our selected portfolio of consumer-inspired food brands and innovative category solutions. What is *One Libstar*?

- As a Group, we are aligned to grow profitably and deliver value to our stakeholders.
- Secondly, we use our individual strengths and capabilities to improve efficiencies and innovation across the business.
- Thirdly, we drive our Group strategy and strong culture to achieve success and create a positive workplace environment.
- Lastly, our final destination is to achieve sustainable and long-term profitable growth.

We have simplified our portfolio into two super-categories, Perishable and Ambient Products to enable us to leverage growth prospects more efficiently and sustainably.

With GDP remaining largely unchanged in 2024 and interest rates starting to decline, business conditions in South Africa, while still challenging, are improving. Inflation has moderated and sentiment is broadly positive following the formation of the Government of National Unity, the reprieve from load-shedding and the two-pot retirement reform that saw more than R43 billion entering the market.

The fragile geopolitical situation remains a concern. It has been considerably exacerbated by the shift in US foreign policy following the change in administration, and by the implications this has for South Africa's trade with the US.

Ongoing global supply chain disruptions, deteriorating infrastructure and the poor state of South Africa's port and rail infrastructure continue to affect Libstar's businesses.

While the improved sentiment was expected to feed through into increased consumer spending, this has yet to show in retail sales. Nevertheless, the Ambient Products category trading performance and operating margins showed pleasing growth year-on-year. The numerous initiatives under the new strategy are starting to bear fruit in improved cost efficiencies and through consolidating procurement and shared services, and growth across sales channels as the Group leverages centres of excellence in these areas.

## Leading with integrity, transparency and honesty

Libstar is committed to being a Champion for Good – always doing the right thing, leading with integrity and doing business openly and honestly. The Board sets the ethical tone for the business and oversees initiatives to embed responsible practices across the Group.

Our values and our North Star of sustainable, profitable growth guide us. The culture transformation journey that the Group launched during the year further entrenches sustainability into our strategy and activities.

## Chairman's review continued

In 2024, the Board evaluated progress to date on the Group strategy, including the closure and sale of unprofitable and non-core businesses, consolidation of business units and support functions, evaluation of opportunities to unlock stakeholder value and monitoring returns on investment. Other focus areas included overseeing execution of the ESG strategy and regular monitoring of risks and opportunities.

The Nomination Committee and the Board reviewed the independence of Mr Sandeep Khanna, currently an Independent Non-Executive Director, who has reached a tenure of ten years. The review considered Mr Khanna's self-evaluation of his independence, his declaration of interests and his contribution to the Board. The Board was satisfied that Mr Khanna remains independent and will continue to evaluate his independence annually in accordance with the requirements of King IV.

### Embedding sustainability across the Group

Libstar continues to make progress in rolling out its ESG strategy and embedding sustainability into the business strategy and management processes. ESG targets are included in the key performance indicators for Executive Management's Short- and Long-Term Incentive Programmes.

An online ESG data management platform was implemented across the Group to improve data collection and facilitate reporting and monitoring of sustainability KPIs. The system also facilitates the setting of science-based carbon emission targets.

We continue to evaluate opportunities to install further solar PV at Libstar facilities to increase resilience and reduce carbon emissions, with a new installation completed at Amaro Foods during the year.

Libstar's business units are employers in their local communities and invest in socio-economic development programmes to support the vulnerable, including product donations to projects that alleviate hunger.

includes examples of activities on Mandela Day when employees donate their time to make a difference where it is needed most.

As a food company, Libstar applies the highest standards of food safety and our responsible sourcing initiatives ensure that our inputs come from sustainable sources. We are improving our tracking of waste streams and work closely with our customers to reduce non-recyclable waste in our packaging.

Libstar is committed to transformation and the proportion of the current workforce that is black increased to 92%, with 51% Black Females. In 2024, the Group achieved level 5 (2023: Level 6) B-BBEE status.

### Declaration of cash dividend

Libstar's dividend policy is to pay a dividend that falls within the range of three to four times cover by headline earnings. Accordingly, the Board approved the payment of a cash dividend of 15 cents per ordinary share in respect of the year ended 31 December 2024 (2023: 15 cents). This brings the total dividends declared by Libstar since its listing on the JSE to R891 million.

### Appreciation

On behalf of the Board, I would like to thank Libstar's Executive Management and the Group's employees for their strong contribution and persistence, embracing the ongoing changes as we implement the new strategy. We thank our investors, partners, suppliers and other stakeholders for their continued support during the year.

We are truly grateful to our customers for choosing our products in a highly competitive market and for their continued loyalty.

As already communicated to the market, I step down as Chair at the 2025 AGM and will be replaced by JP Landman, the current Lead Independent Non-Executive Director. I thank my fellow Directors for their support over the years. It has been an honour to serve with them and oversee the Group's progress. Their energy and focus give me great confidence that Libstar remains in good hands.





# Our operating context

## Our consumer landscape

South African consumers remained under pressure in 2024 despite some improvements in the economy. Inflation and interest rates eased, but stagnant wage growth, high unemployment, electricity price increases and rising living costs continue to stress household finances. Although food inflation moderated, this follows several years of well-above CPI increases in the food basket.

The economy grew 0.6% in 2024, a muted performance compared to 2023 (0.7%) given the reprieve from load-shedding for three quarters of the year.

Consumer confidence improved during the year, reaching its best levels in five years in the second half, buoyed by reduced load-shedding, positivity around political developments and falling fuel prices. From September, the Two-Pot pension withdrawals injected more than R43 billion into the economy. Retail trade sales returned to growth in the second half of 2024, although the strong trading in October and November did not carry through into December.

GDP growth is forecast to strengthen to 1.7% in 2025 and there is increased optimism around South Africa's improving position, but risks remain from a potential debt hangover from 2024 and uncertainty regarding the potential impacts of realignments in global trade following the change of administration in the US.

Consumer behaviour continues to reflect spending constraints in shifts to smaller package sizes, 'buying down' to lower-cost options, buying on promotion and shopping less frequently with smaller baskets. We are also seeing a move to convenience options, with robust growth in frozen product lines, particularly through delivery channels.

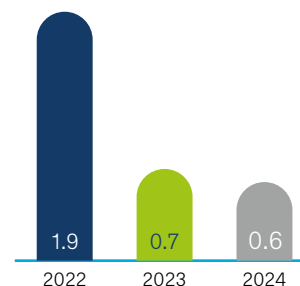
Libstar's category-led approach and diversified portfolio of own-branded, private label, dealer-own and principal-branded products provide customers with offerings across price points. Wherever possible, we limited price increases, strategically participated in promotions without compromising on brand value, introduced new packaging sizes and focused on enhancing cost efficiencies to protect margins.

## Our product positioning

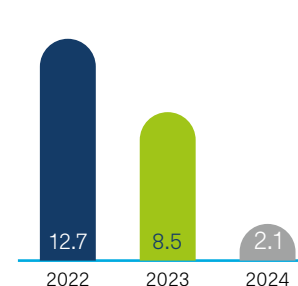
Our products mainly comprise those sold under brands that we own such as Lancewood and Cape Herb & Spice, brands that we license such as Robertsons and Safari, and private label and dealer-own brands owned and sold by retailers under their own names. We also represent well-known international brands in the market such as Tabasco, Lurpak, and Babybel.

We conduct ongoing research to understand emerging consumer trends and participate in international trade shows to keep our customers at the forefront of global developments in our industry. When developing and marketing products, we use our category expertise and deep understanding of our major retailer customers to create products that align with their strategic objectives, growth plans and requirements to meet the needs of consumers.

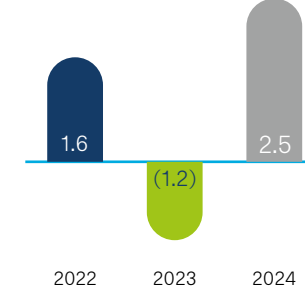
Real GDP (%)



Food price inflation (%)



Retail trade sales (%)



Source: Statssa

Our wide range of products provide many options for consumers, aligned with their priorities.



### Value

**74%\***

Consumers are under pressure and demand quality at a reasonable price.



### Convenience

**64%\***

Easy delivery and convenience are becoming key requirements.



### Impact

**61%\***

Consumers expect companies to treat their staff and suppliers fairly, support the local community, and follow sustainable practices.



### Consumer experience

**57%\***

Building an effective customer experience, which includes in-store and online offerings.



### Wellness

**55%\***

The wellness megatrend continues to deepen. Shoppers have become aware of the benefits of a holistic approach to wellness.

\* Percentage of shoppers who say this is 'super-important' (5 out of 5 on a 1-5 scale)  
Source: Trade Intelligence 2024 Retail Trends

## Our operating context continued



### Value

Several business units offer smaller affordable and single-serving packs of popular items. Businesses also introduced bulk packs for Food Service customers and bulk discounters.

**Ambassador Foods** offers nostalgic, comforting, and affordable cereals for all ages and lifestyle segments. Additionally, investigating different nut grades to maintain price points while retaining quality.

**Cape Herb & Spice** has multi-pack tea options for consumers to test new flavours without having to purchase a full box.

**Wet Condiments** introduced cost-effective bulk packs and combo-buy offerings for improved value.



### Convenience

**Rialto's** packaging design and materials focus on compostable bagasse (eco-friendly, biodegradable solution made from sugarcane fibres) and paper-based food packaging to meet the demands of online ordering and supply chain to the market and home consumption. Additionally, launched a new range of authentic Italian chilled desserts.

**Amaro Foods'** wrap line and par-baked offering expands our convenience offerings.

**Lancewood** launched a range of sliced and grated natural cheese products, and offers single-serving yoghurts for increased convenience.

**Finlar Fine Foods** launched several new fresh and frozen gourmet products during the year, including nine new fresh products, three frozen and three food service products.

**Millennium Foods'** range of convenience meals saw strong demand in 2024, with production reaching record levels in December. We launched our **DINE-IN** brand and a range of premium imported Italian filled and flat pastas.

**Lancewood and Denny** offer a range of convenient, ready-to-use sauces to create delicious home-cooked meals with minimal effort.



### Impact

All businesses contribute to addressing socio-economic development priorities in local communities.

**Rialto** offers a range of packaging products made from 100% compostable materials including enviro paper cups, lids and carriers, meal boxes, plates, straws, paper bags and cutlery. Our kraft products, generic cups, lids and PP and PET plastic ranges are fully recyclable.

All **Cape Coastal Honey's** honey is sustainably sourced, non-irradiated and badger friendly. The business introduced clean flake labels to improve bottle recyclability, uses fully recyclable labels and switched to biodegradable pallet wraps to eliminate plastic wrap from our facility.

**Wet Condiments** achieved BRC accreditation, underscoring its commitment to the highest standards of quality, safety and operational excellence.

**Cape Herb & Spice, Cape Coastal Honey, Ambassador Foods, Rialto, Amaro Foods** and **Finlar Fine Foods** are audited annually for ethical and sustainable business practices.





## Our operating context continued



### Consumer experience

**Lancewood** is South Africa's #1 food and beverage brand on Facebook with a growing presence on Instagram.

Businesses introduced in-store tastings as part of the brand recruitment strategy.

Libstar brands' growing online and social media brand presence, and collaborations with influencers, includes inspirational recipes using our products, cooking tips and user generated content to build engaged communities.



### Wellness

**Lancewood's** products align with healthier eating trends and are receiving positive exposure through health influencers.

Products include lactose-free, reduced sugar, sugar-free and higher-protein products.

Our Greek Delight™ Greek Style Double Cream Plain Yoghurt uses specially sourced culture from Greece with 5g of protein per 100g.

**Amaro Foods** launched an upgraded range of gluten-free breads, including a gluten-free sourdough.

**Ambassador Foods** offers products that include sugar-free, natural sugar, nutrient dense and higher-protein options. Products include superfoods, such as chia seeds. We also produce dairy-free milk, dairy-free coconut cheese and a vegan confectionery range of nougat and caramels.

**Umatie** launched a range of wholesome and delicious Kooky Rusks made from locally grown, GMO-free wheat flour, organic coconut sugar and real veggies and fruit.

**Rialto** introduced a range of plant-based meat and beverages.

**Cape Herb & Spice** offers low-salt and low-sugar product lines.

**Wet Condiments'** Safari vinegar is naturally fermented, supporting digestion, balancing gut flora and enhancing nutrient absorption.

## Growing market share in own brands

Revenue growth in own-branded products for the year was **9%**, with a total contribution to revenue of **34%**.

Libstar owns well-known brands that we produce and distribute, many of which are leaders in their market segments. These are sold under labels and trademarks that are proprietary to us or produced and distributed by us under licence agreements with brand owners.



## Our operating context continued

### LANCEWOOD®

#### Total natural cheese

Leading the category at **24%** market share, growing at **11%**, ahead of the market\*

#### Soft cheese

**56%** market share, growing at **20%**, ahead of the market\*. **118%** increase in spontaneous awareness of the Lancewood brand among soft cheese users\*

#### Double cream yoghurt

Market share gain of **17%** with **26%** growth\*

#### Pre-packed hard cheese

**26%** market share with revenue growth of **7%\***

### DENNY®

**#2** in the **convenience sauce category**. Growing in value across all periods

### Coni

**#2** in the **artisanal rusks brand**

### SAFARI

Remains the **#1 branded vinegar** offering. Growing in value across all periods



**#1** in the **Baking Aids** category. Growing ahead of the category in value and volume



Growing **7.5%** in the **Brown Sauce category**. Growing in volume and value

Data source: Processed by DataOrbis, Defined Retailers, Value 12MM Jan '25  
Nielsen Equity Tracker

### Highlights



#### SA Dairy Championships

**11** Awards across multiple categories



#### World Cheese Awards 2024

Bronze Award for Medium Fat Plain Cream Cheese

2023 Awards - 5 Silver and Bronze Awards



#### Food & Home Awards

**7** Gold and **4** Silver Awards across categories

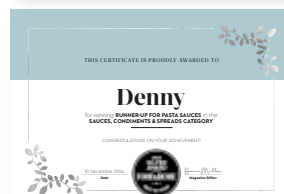


#### Ask Afrika Icon Brands

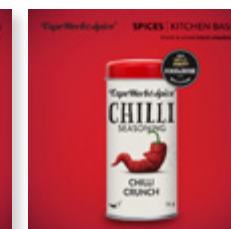
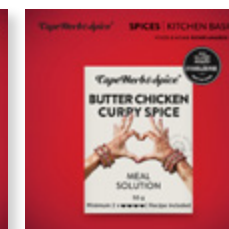
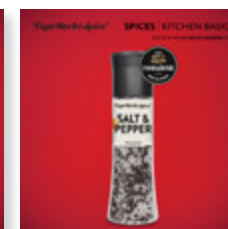
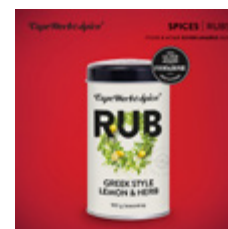
South Africa's favourite Cream Cheese and Cottage Cheese Brand two years in a row



### MONTAGU FOODS



### CapeHerb&Spice™





## Our operating context continued

### Strong growth in private brand products

Retailers initially introduced private label products to cater for value/budget shoppers using low-cost and often inferior quality packaging, with a focus on availability. As the category has matured, private labels have become strong private brands for retailers and genuine competitors to national brands.

Retailers now have tiered offerings catering to value, mainstream and premium or lifestyle shoppers, and promote these private brands using full omni channel strategies that include marketing, promotions, dedicated designs and in-store/online experiences. The quality of private brands now matches or exceeds national brands in some areas.

Uptake of private brands by consumers continues to increase and they made up 27.9% of South African retailers' turnover in 2023<sup>1</sup>, with revenue growth consistently growing ahead of non-private brands over the previous five years. 58% of shoppers surveyed buy private brands, with 80% of shoppers seeing them as the same or better value for money and 85% saying that quality is as good or better than national brands.

Private brand ranges offer many advantages for retailers, including enhanced margins, stronger revenue growth, differentiation from competitors, the ability to target specific market niches, increased speed of innovation and greater control.

As an established private label and dealer-own brand provider, Libstar is particularly well positioned for the increasing demand from retailers and consumers for these products. Our private label products range from affordable and strategic private label to niche and innovative best-in class dealer-own brands.

Libstar saw **revenue growth** in private label and dealer-own brands for the year of **7%**, with a total contribution to revenue of **44%**.

#### Our promise to our customers is to always be:

**Customer-centric** – attuned to the unique strategies of our customers and committed to collaborating to provide solutions that assist them in delivering on their brand promises.

**Innovators at heart** – always motivated to grow and improve our offerings.

**Trusted partners** – dedicated to cultivating mutually beneficial long-term partnerships built on trust and shared commitment.

**Quality solutions-driven** – boldly innovative in ways that exceed our customers' expectations.



<sup>1</sup> Trade Intelligence Private Brands Report 2024

# Risk management

The Board recognises that risk management is a key component of good governance, which involves a consideration of risks and opportunities. In setting the risk appetite for the Group, the Board aims to minimise exposure to risks, while accepting and recognising the risk/reward trade-off in pursuit of Libstar's strategic and commercial objectives.

Libstar takes a values-based approach to risk that embeds risk management and decision-making into everything we do, proactively managing risk through the commitment of our people to our core values and principles. Enterprise risk management is embedded in the strategic planning process.

## Roles and responsibilities

The Board approves the Enterprise Risk Management Framework (the Framework) and sets the tone for a risk-aware culture in the Group. It oversees and monitors the management of risk and obtains assurance, through delegation to the Audit and Risk Committee, that this obligation is being met.

The Audit and Risk Committee assesses the effectiveness and adequacy of the risk management system and the various sources of assurance. It reviews and approves the Group Risk Register, which is a collective view of the risks identified across the Group.

Executive management leads and implements the risk management culture across Libstar, ensures that risk management programmes are applied in business practices and oversees the allocation of resources to enable effective risk management practices.

## The Risk Management Framework

The Framework sets out the principles of the Group's approach to risk management. The Framework sets the tone for Libstar's approach to risk, reinforces the importance of managing risk proactively, empowers Libstar's people to take responsibility for risk management and mitigation, and fosters a balanced risk culture. The Framework is reviewed at least every three years to identify opportunities for improvement and to strengthen our risk management maturity. We revised the Framework during the year to enhance risk identification, measurement and mitigation strategies.

## The risk management process

The enterprise risk management programme uses a structured system of risk categories and sub-categories to ensure a systematic and consistent methodology for identifying, categorising, and addressing risks across the organisation.

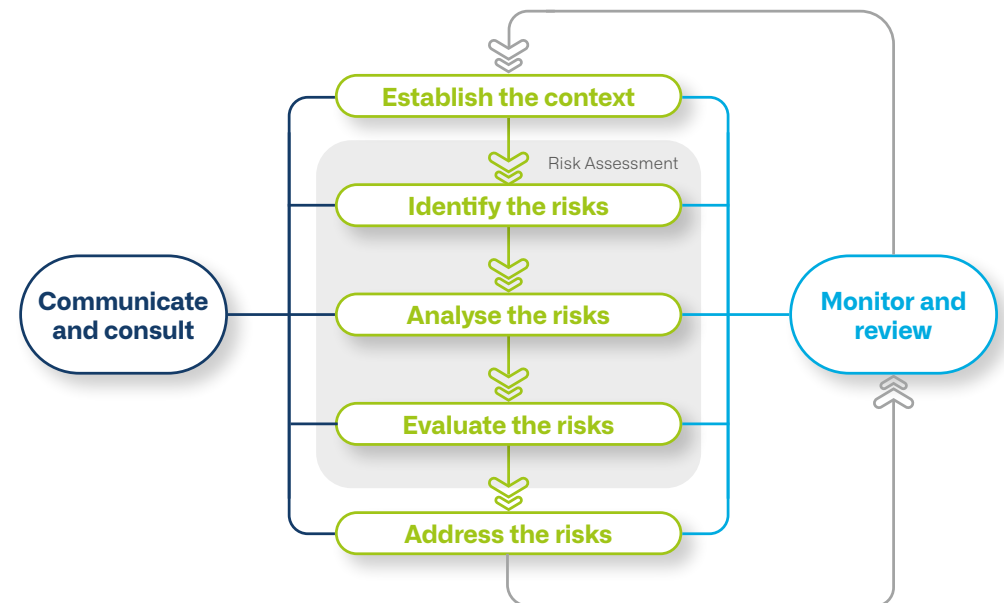
The risk management process establishes context by identifying objectives and considering the internal and external parameters within which the risk must be managed. Challenges and opportunities are considered in the context of Libstar's vision and objectives, operating environment and key stakeholders.

The risk assessment process identifies risks and opportunities that might have an impact on Libstar's objectives, analyses these factors to develop a detailed understanding and evaluates the risk against the risk appetite.

Effective mitigation plans are implemented and action plans are developed to minimise the frequency and severity of the identified risk to achieve the desired target rating.

Changes to the source and context of risks, tolerance for certain risks and the adequacy of controls are monitored, and risks are reviewed and reported regularly. Effective communication and consultation enhance risk management, ensuring that all parties understand each other's perspectives and are actively involved in decision-making where appropriate.

Libstar continuously strengthens its risk evaluation process by tracking emerging risks and opportunities. Key risks are identified and integrated into the Risk Register to ensure a structured and proactive approach to risk management. Additionally, the Audit and Risk Committee will evaluate management's scenario planning for significant risks to enhance business resilience and align with stakeholder expectations.





## Risk management continued

### Our key risks

We performed an in-depth review of the Group Risk Register in 2024, breaking down risks across various domains, such as strategic, operational, legal and compliance, assigning unique identifiers for each risk and incorporating them into individual business unit registers.

1

#### Loss of a material customer

Strategic risk

Although Libstar's product portfolio and sales channel exposure is diverse, certain business units and/or product offerings carry significant exposure to a single or limited number of customers.

#### Our response:

We maintain close and long-standing relationships with customers. Group and business unit management regularly assess changes in customer strategies which may impact Libstar. Developing new products and channel markets forms part of management's key performance criteria.

#### Inherent risk\*

High

#### Current state of risk\*\*

Moderate

#### KVI impact



Consolidate business units to mitigate reliance on key customers.

2

#### Challenging macro-economic environment

Strategic risk

We operate in a macro-economic environment subject to significant fluctuation, instability and challenges, including foreign currency risk, income inequality, low economic growth, high sovereign debt to GDP and political instability.

#### Risk factors:

- Increased cost and limited availability of critical manufacturing inputs and infrastructure.
- Reduced disposable income for consumers.

#### Our response:

The Group's multiple sales channels offer some resilience to changing consumer behaviour impacted by macro-economic challenges. As part of our ESG strategy, we invest in solutions to reduce our exposure to the risks associated with availability of critical infrastructure. We have formalised foreign exchange hedging policies designed to mitigate the impact of foreign currency fluctuations.

#### Inherent risk\*

High

#### Current state of risk\*\*

Moderate

#### KVI impact



Improving operational efficiencies to increase operating profit amid rising input costs.

\* Inherent risk: before mitigations and controls

\*\* Current state of risk: after mitigations and controls



## Risk management continued

### 3 Disruptions to operations Operational risk

Libstar relies on the efficient operation of multiple supply chains to ensure that our business units operate without interruption. Business interruption caused by the failure of supply chains, socio-political events or Acts of God, pose a significant risk.

#### Risk factors:

Disruptions to manufacturing, warehousing or our ability to service customers from:

- Supply chain disruptions.
- Logistics disruptions.
- Water restrictions and power interruptions.
- Fire and/or natural disasters.
- Labour unrest and/or protracted industrial action.
- Civil unrest.

#### Our response:

Where possible, business units have contingency plans to source key inputs from at least two alternative suppliers and keep contingency stock.

We have borehole water or storage tanks at critical manufacturing sites and have installed power generators and/or solar at our manufacturing sites. We continue investigating additional alternative water and power solutions.

Appropriate fire prevention plans are developed for each site and a Group-wide Insurance Programme is in place to mitigate losses.

Wage negotiations are decentralised. Where appropriate, wage agreements remain in place for more than a year to promote labour force stability. We regularly engage with labour union.

To the extent possible, the Group's business units maintain contingency plans, with the priority to ensure the safety of employees.

#### Inherent risk\*

■ High

#### Current state of risk\*\*

■ Moderate

#### KVI impact



Improving operational efficiencies through sustainable energy and water efficiency initiatives.



Implementing a culture programme and talent management initiatives.

### 4 Information and cyber security risk Operational risk

Manipulation and/or interruption of the Group's ICT systems poses a risk to the integrity of information processed and the continuity of manufacturing operations.

#### Our response:

The Group uses information technology and integration specialists to confirm compliance with a standardised Group ICT Framework. The framework is regularly reviewed and, where applicable, experts are engaged to assist in the scoping and implementation of ICT projects across the Group. Standardised policies are applied to measure ICT contingency plans and include fail over techniques, backups and regular testing of backups. The Group has artificial intelligence tools to detect suspicious activities and generate alerts when detected.

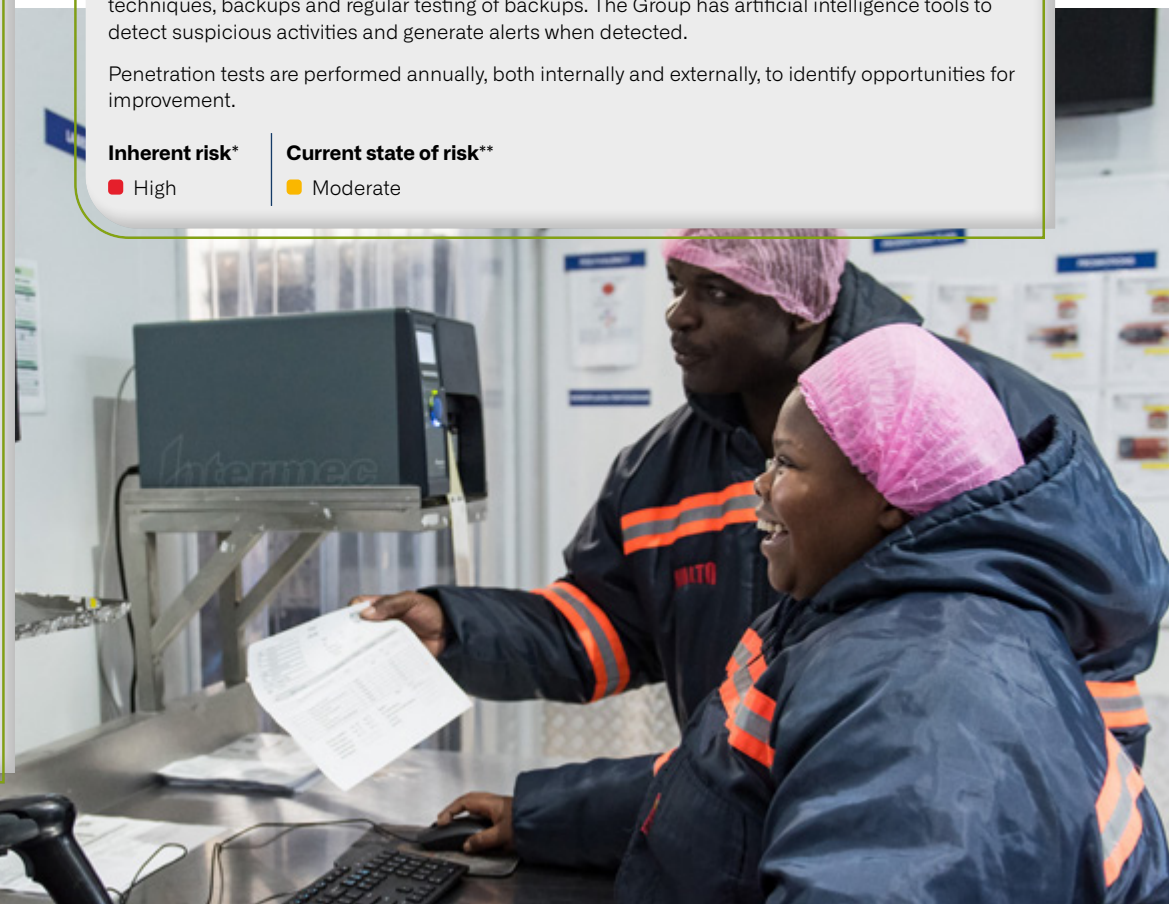
Penetration tests are performed annually, both internally and externally, to identify opportunities for improvement.

#### Inherent risk\*

■ High

#### Current state of risk\*\*

■ Moderate



\* Inherent risk: before mitigations and controls  
\*\* Current state of risk: after mitigations and controls



## Risk management continued

5

### Talent and skills

Operational risk

The Group's workforce includes a variety of specialised skills. Managing human capital, including how Libstar positively impacts the communities in which it operates and actively addresses transformation in the workplace, has a direct impact on its sustainability.

#### Risk factors:

- Inability to attract, motivate and retain top talent for core business and regulatory requirements.
- Loss of critical skills.

#### Our response:

We implement focused talent management, skills development and training programmes. A succession planning framework identifies contingencies for critical skills and the Group is focused on building a succession pipeline and mitigating retention risk for key talent.

Employee incentivisation structures are benchmarked across the industry, and the Long-Term Incentive Programme aligns with shareholder and participant interests.

Talent management, professional development and performance appraisal processes are being reviewed and a standardised process is being rolled out.

The CSI policy aims to promote and enable initiatives to enrich the daily lives of the communities in which our business operates.

Libstar's Group-wide B-BBEE strategy guides skills development and socio-economic development strategies. We are striving for a constant improvement in Libstar's B-BBEE Contributor status.

#### Inherent risk\*

■ Moderate

#### Current state of risk\*\*

■ Moderate

#### KVI impact



Implementing a culture programme and talent management initiatives.

6

### Compliance with laws and regulations

Legal, compliance and regulatory risk

The Group operates in a complex regulatory environment across multiple jurisdictions, and non-compliance with applicable laws and regulations (such as **food safety, food quality**, product standards, labour laws, environmental regulations, and financial reporting requirements) poses significant risks. This includes potential fines, legal actions, reputational damage, and operational disruptions.

#### Risk factors:

The potential for legal and regulatory fines, sanctions, litigation, reputational harm, and operational disruptions resulting from the Group's failure to comply with relevant laws and regulations in the various jurisdictions where it operates.

#### Our response:

Libstar conducts regular product food quality and safety testing. Protocols have been implemented to address potential product recalls. Audits are performed by competent and independent auditors and/or customers.

Independent quality verifications are performed by customers. Disaster management protocols are in place at business unit level.

The Group uses compliance management systems to track and monitor changes in applicable laws and regulations across different jurisdictions. Regular legal and compliance audits are conducted to ensure adherence to applicable laws and regulations. Training programmes for employees are conducted to raise awareness and promote compliance. Engagement with external legal consultants to ensure adherence to international standards where applicable.

#### Inherent risk\*

■ High

#### Current state of risk\*\*

■ Moderate



\* Inherent risk: before mitigations and controls

\*\* Current state of risk: after mitigations and controls

# Stakeholder *engagement*

Our stakeholders are key partners in our operations. Collaboration and regular interaction with our stakeholders deepen our understanding of their needs and expectations, supports the success of our activities and helps us to achieve our strategic goals.

While we engage with a wide range of stakeholder groups, our primary stakeholders are our employees, customers, suppliers and investors.

The Board is responsible for and oversees stakeholder engagements, and receives reports on material engagements. The Social, Ethics and Transformation Committee assists the Board to monitor stakeholder engagement.

Due to the nature of our business, stakeholder engagement with employees, customers and suppliers is decentralised. Business units and employees manage relationships and address the expectations of internal and external stakeholders within their areas of responsibility. Engagements with investors take place at Group level.

Specific engagements during 2024 included:

- We conducted our People Survey.
- The management team conducted a leadership roadshow, visiting most production sites and warehouses in the Group.
- Multiple strategic and innovation sessions were held with our customers.
- Attendance at international food shows enabled interactions with existing and potential customers and suppliers.
- Libstar attended and presented at the 2024 RMB Off-Piste Conference which included meetings with analysts from various institutions.
- The business units interact with government departments and regulators as necessary to resolve queries including labelling, product composition, compliance factory visits and consumer disputes, and proactively engage with regulators regarding amendments to regulations as required.

**WHISTLE BLOWERS**

Employees can have confidence by reporting via the dedicated toll free number and additional reporting platforms mentioned below should they wish to make a report anonymously.

**We will NEVER divulge your identity!**

**CONTACT US:**

- 1. DIAL THE DEDICATED NUMBER OR VIA ONE OF THE METHODS BELOW:**  
**0800 228 822**  
Toll Free Fax: 0800 212 889 | SMS: 33493  
 Postal: FREEPOST 42N665, MUSGRAVE, 4802  
 Online: www.whistleblowing.co.za  
 WHATSAPP CHATBOT: +27 31 308 4864
- 2. PROVIDE THE OPERATOR WITH AS MANY DETAILS AS POSSIBLE REGARDING THE ILLICIT ACTIVITY OR ISSUE YOU ARE REPORTING:**
  - When
  - Who
  - What
  - How
  - How often
  - Value
  - Details of vehicles used, if relevant, and so forth.
- 3. THE OPERATOR WILL PROVIDE YOU WITH A REFERENCE NUMBER, WHICH YOU WILL NEED TO RECALL FOR FUTURE FOLLOW-UP CALLS.**
- 4. YOUR IDENTITY WILL BE KEPT A SECRET!**

Please help Libstar in our endeavours to prevent dishonest business practices and promote strong business relationships towards a successful future.

DOWNLOAD THE WHISTLE BLOWERS REPORTING APP



## Employees

Employees drive our business through their enterprise, skills and commitment. We engage with employees and their representative bodies (including unions) to understand their concerns, communicate updates about the Group's progress and create a constructive and safe working environment.

### Stakeholder expectations

- Protection of labour, human rights and safety.
- Appropriate compensation.
- Good employee relations and inclusive engagement.
- Skills development.
- Career progression opportunities.
- An environment that promotes dignity, respect and equal opportunity.

### Our response:

- Effective safety protocols and hygiene practices across the Group.
- Opportunities for career progression.
- Industry-benchmarked, competitive total remuneration of employees.
- Ongoing investment in training and development.
- Regular and transparent engagement with unions.

### How we engage:

- Ongoing and transparent engagements with unions.
- Newsletters.
- Motivational campaigns.
- Performance reviews.
- One Libstar High-Performance Programme presentations.
- Employee surveys.
- Management roadshows and visits.

### Value added during the year:

- R1 518 million paid in salaries and wages.
- R38.5 million invested in skills development.
- Absorption of nine unemployed learners into the business on completion of their learnership programmes.
- Rollout of the One Libstar High-Performance Programme.
- Implementation of culture champion initiative to enhance employee engagement.



## Stakeholder engagement continued



### Customers

We partner with our customers to deliver on their brand promises by developing innovative products and own brand solutions in the categories we operate in. These partnerships assist in driving our customer growth ambitions while staying relevant to consumers.

#### Stakeholder expectations

- Market-leading products that deliver growth.
- Ongoing innovation.
- Exceptional customer service levels and product availability.
- Ability to maintain competitive pricing.
- Food safety.
- Sustainable and responsible sourcing.

#### Our response:

- Investing in critical market research and insights to deliver growth plans.
- All categories invest in new product development.
- Customer engagement to mitigate disruptions and continually meet changing demand.
- Consolidating categories and realising operational efficiencies to manage costs.
- Product testing across manufacturing sites and stringent food safety protocols.
- Audits conducted by independent auditors and independent verifications performed by customers.
- Living up to our Customer Promise.
- Responsible sourcing strategy.

#### How we engage:

- Regular and ongoing interactions in the course of business.
- Collaborative and joint customer business planning.
- Contractual negotiations.
- Service-level agreement renewals.
- Innovation days that stimulate collaborative category growth opportunities.
- Strategic category growth initiatives.
- Global trade and supplier collaborations.

#### Value added during the year:

- Over 400 new product innovations.
- Close collaboration with customers to develop and launch new private label ranges.
- Focus on improving customer service levels across businesses.



### Suppliers

Working closely with our material and packaging suppliers is crucial to ensure uninterrupted production.

#### Stakeholder expectations

- Sustainable, beneficial relationships.
- Honouring contractual terms and agreements.
- Revenue growth.
- Fair payment terms.
- Procurement opportunities for black-owned and black women-owned businesses.

#### Our response:

- Regular engagements to manage rising costs and ongoing supplier impacts.
- Leveraged procurement to evaluate input costs, bolster buying power as a Group and ensure continuity of suppliers.
- Commitment to responsible corporate citizenship.
- Enterprise and supplier development initiatives.

#### How we engage:

- Ongoing interactions in the course of business.
- Annual contractual negotiations.
- Trade shows.
- Service-level agreement renewals.

#### Value added during the year:

- R8.6 billion procured from suppliers (2023: R8.7 billion).
- Procurement focus across the Group on shared items reduced the number of suppliers but increased volumes for the chosen suppliers.
- Preferential procurement initiatives support B-BBEE companies in the supply chain.
- Enterprise and supplier development programmes at the businesses promote transformation and economic upliftment by expanding opportunities for black-owned and black women-owned businesses.
- Ongoing engagements with suppliers to build relationships and mitigate supply interruptions.
- Identification of potential alternative suppliers to ensure ongoing price competitiveness and diversify sources.

## Stakeholder engagement continued



### Investors

Providers of equity and debt are core to our existence and growth. The Group's financial strength is supported by equity from shareholders and financial guarantees from bankers and insurance companies.

#### Stakeholder expectations

- Sustainable return on investment.
- Meeting debt covenants and debt agreements.
- Meeting all interest payments as a minimum target.
- Optimising the Group's debt position without excessive risk.
- Sound and experienced management team.
- Good corporate governance.
- Strategic growth strategy.
- Effective talent acquisition, retention and succession planning.
- Transparency and accountability.
- A strong focus on cash generation and financial risk management.
- Dividend policy in the context of protecting the balance sheet and liquidity.

#### How we engage:

- Group investor meetings hosted by sell-side analysts.
- One-on-one meetings with key shareholders and sell-side analysts.
- Interim and final results presentations.
- Annual General Meeting.
- SENS announcements.
- Media releases.
- Libstar website.
- Media interaction through interviews at the release of results.
- Integrated Annual Report.

#### Our response:

- Simplification of the Group in line with strategy.
- Strong management team with extensive industry experience.
- Focus on executing Libstar's key value-driving initiatives and improving key performance indicators.
- Libstar's Corporate Governance Framework.
- Regular transparent reporting to the market.
- Comprehensive Risk Management Framework.

#### Value added during the year:

- R169.9 million paid to funders as interest.
- R102.3 million declared in dividends.
- All debt covenants met.
- Cash conversion increased to 80%, above the internal target of greater than 65%.
- Gearing ratio (net debt to normalised EBITDA) reduced to 1.5x.

Other stakeholders include:

Stakeholder	Their interests	How we respond
<b>Government</b> 	<ul style="list-style-type: none"> <li>- Health and safety.</li> <li>- Environmental management.</li> <li>- Transformation.</li> <li>- Compliance with regulations.</li> <li>- Social investment.</li> </ul>	<ul style="list-style-type: none"> <li>- Effective health and safety protocols at all operations.</li> <li>- Commitment to good governance and addressing areas identified to ensure compliance with all legislative requirements.</li> <li>- Commitment to limiting the Group's environmental impact and systems in place to ensure responsible operations.</li> <li>- Libstar's ESG strategy.</li> <li>- Ongoing focus on improving our B-BBEE performance.</li> <li>- Community investments.</li> </ul>
<b>Consumers</b> 	<ul style="list-style-type: none"> <li>- Food safety.</li> <li>- Product availability.</li> <li>- Good corporate citizenship.</li> </ul>	<ul style="list-style-type: none"> <li>- Product testing across manufacturing sites and stringent food safety protocols.</li> <li>- Audits conducted by independent auditors and independent verifications performed by customers.</li> <li>- Responsible sourcing strategy.</li> <li>- Commitment to limiting the Group's environmental impact and systems in place to ensure responsible operations.</li> </ul>
<b>Communities</b> 	<ul style="list-style-type: none"> <li>- Social investment.</li> <li>- Environmental management.</li> </ul>	<ul style="list-style-type: none"> <li>- Community investments.</li> <li>- Commitment to limiting the Group's environmental impact and systems in place to ensure responsible operations.</li> </ul>
<b>Industry bodies</b> 	<ul style="list-style-type: none"> <li>- Co-ordinated response to industry-specific issues.</li> <li>- Changes in legislation.</li> </ul>	<ul style="list-style-type: none"> <li>- Libstar participates in discussions with industry bodies to understand developments in the food industry and to make sure the Group's views are communicated.</li> </ul>



# Our performance

43	CFO's review
47	Ambient Products
61	Perishable Products
71	Household & Personal Care







# CFO's review



Libstar achieved revenue growth of 3.1% despite a decrease in sales volumes arising from a decline in the Retail and Food Service channels. The Group's broader performance and resilient balance sheet in the face of the challenges of 2024 reflect the strength of our strategy and we remain confident in our long-term growth trajectory.

## Introduction

Libstar's results demonstrate the resilience of the Group's operating model as favourable mix changes and selling price inflation offset volume pressures in key channels.

The solid performance across most areas was tempered by the impact of the loss of significant production volumes related to a Food Service customer in the Value-added Meats sub-category as well as cyclical pressures in the dairy industry.

## Revenue growth supported by mix changes and selling price inflation

Revenue increased by 3.1% supported by selling price inflation and mix changes contributing 6.3% to sales growth, which offset a 3.2% decline in sales volumes arising from a decline in the Retail and Food Service channels.

The Ambient Products category revenue increased by 5.4%, driven by the resilient Wet Condiments sub-category performance and increased export volumes. Price and mix changes contributed 9.5% of revenue growth. The volume decline of 4.1% resulted primarily from the implementation of a direct import model by a retail customer as reported in the first half of the year.

The Perishable Products category revenue grew 1.2%, with selling price inflation and mix changes contributing 3.2% to sales growth. Sales volumes declined by 2.0% driven mainly by lower quick service restaurant beef volumes in the Food Service channel.

Gross profit margin decreased to 21.0% from 21.3% in 2023 due to margin pressures in the Dairy and Dry Condiments sub-categories, as well as the margin impact in Value-added Meats.

Group normalised operating profit decreased by 6.3% at a margin of 5.4% (2023: 5.9%) due to reduced depreciation in the prior year following a re-evaluation of the estimated useful lives of assets with zero book value. Group normalised EBITDA remained flat at R974 million at a margin of 8.3% (2023: 8.5%).

## Operating expenses

Operating expenses increased by 7.0%, driven by higher consulting fees associated with strategic initiatives such as operating model planning, the launch of the Group's *One Libstar* culture programme, and fees for divestment advisors. Salaries and wages increased due to CPI adjustments and the filling of vacant positions. Libstar's expense margin, excluding impairment charges increased to 17.2% (2023: 16.5%).

## Capital items

The Group received insurance proceeds of R120 million in 2023 relating to the Denny Mushrooms (Shongweni plant) fire.

Impairment charges (net of tax) in 2024 comprised:

- R400 million in Finlar Fine Foods owing to the supplier diversification implemented by a major customer impacting beef volumes in the Food Service channel.
- R98.2 million in the Denny Mushrooms division to recognise the business unit at its recoverable value.
- R10.5 million in customer contracts due to the reassessment of their carrying value in Dickon Hall Foods and Cape Herb & Spice.

The impairment charges decreased total diluted EPS and normalised EPS but are added back for purposes of the calculation of total diluted HEPS and normalised HEPS.



## CFO's review continued

## Performance by category

## Contribution to Group revenue

R'000	Group revenue growth/(decline)			Contribution to Group revenue	
	Financial year ended 31 December 2024	Change %	Financial year ended 31 December 2023	Financial year ended 31 December 2024	Financial year ended 31 December 2023
<b>Net revenue by category</b>					
Ambient Products	5 832 950	5.4%	5 533 818	49.5%	48.5%
Perishable Products	5 781 849	1.2%	5 712 526	49.1%	50.0%
HPC	158 972	(7.9%)	172 575	1.4%	1.5%
<b>Total Group net revenue</b>	<b>11 773 771</b>	<b>3.1%</b>	11 418 919	<b>100.0%</b>	100.0%

## Contribution to Group normalised EBITDA (before corporate costs)

R'000	Group normalised EBITDA growth/(decline)			Contribution to Group normalised EBITDA	
	Financial year ended 31 December 2024	Change %	Financial year ended 31 December 2023	Financial year ended 31 December 2024	Financial year ended 31 December 2023
<b>Normalised EBITDA before corporate costs</b>					
Ambient Products	703 124	12.2%	626 814	66.5%	59.7%
Perishable Products	344 080	(13.7%)	398 597	32.5%	38.0%
HPC	10 837	(54.6%)	23 891	1.0%	2.3%
<b>Total</b>	<b>1 058 041</b>	<b>0.8%</b>	1 049 302	<b>100.0%</b>	100.0%

Revenue from Ambient Products increased by 5.4%. The result was driven by a strong performance of the Group's retail Wet Condiment offerings and the recovery of Wet Condiment volumes in the Industrial channel relative to the weak demand in the comparative period. Normalised EBITDA increased by 12.2% at a margin of 12.1% (2023: 11.3%).

Revenue from Perishable Products increased by 1.2%, driven by lower beef volumes in the Food Service channel. Normalised EBITDA decreased by 13.7% at a margin of 6.0% (2023: 7.0%).

Revenue in the Group's Household & Personal Care (HPC) category decreased by 7.9% and normalised EBITDA decreased by 54.6%.

## Group performance

The Group uses normalised EBITDA, normalised earnings per share (EPS) and normalised headline earnings per share (HEPS) from continuing operations, which exclude non-recurring, non-trading, and non-cash items, as the key measures to indicate its true operating performance.

## Summarised full-year results

R'000	2024	% change	2023**
<b>Continuing operations</b>			
Total revenue	11 773 771	3.1%	11 418 918
Gross profit margin	21.0%		21.3%
Normalised operating profit	631 143	(6.3%)	673 785
Normalised operating profit margin	5.4%		5.9%
Normalised EBITDA	974 143	0.0%	974 227
Normalised EBITDA margin	8.3%		8.5%
Basic EPS (cents)	(46.8)	(225.5%)	37.3
Basic HEPS (cents)	39.4	(16.2%)	47.0
Normalised EPS (cents)	(32.7)	(185.2%)	38.4
Normalised HEPS (cents)	53.4	(6.5%)	57.1
<b>Balance sheet and cash flow indicators</b>			
Net interest-bearing debt to normalised EBITDA (excl. IFRS 16)	1.5		1.6
Cash generated from operating activities (excl. net working capital)	983 427	(5.5%)	1 040 136
Cash generated from operations (incl. net working capital)	794 410	3.7%	766 260
Capital investment in property, plant and equipment	196 743	(19.6%)	244 647
Cash conversion ratio	80%		66%

\* The results for Chet Chemicals are disclosed in the Group's discontinued operations for the year ended 31 December 2024.  
The comparative prior period statement of comprehensive income has been re-presented to provide a like-for-like comparison.  
^ Refer to note 34 in Annual Financial Statements for details on restatements in 2023.

Normalised EPS, which excludes insurance proceeds, unrealised foreign currency movements and other non-recurring, non-trading, and non-cash items, decreased from 38.4 cps to a loss per share of 32.7 cps. The reduction is mainly attributable to higher impairment charges relative to the prior year.

Normalised HEPS, which also excludes the aforementioned items, as well as insurance proceeds and impairment charges, decreased by 6.5% from 57.1 cps to 53.4 cps.

The weighted average number of shares in issue remained unchanged at 595.8 million and is equal to the diluted number of shares in issue.

## CFO's review continued

A reconciliation between normalised EBITDA, normalised earnings and normalised headline earnings is provided below:

R'000	2024	% change	2023
<b>Normalised EBITDA</b>	<b>974 143</b>	0.0%	974 227
<b>Less:</b>			
Depreciation and amortisation	(343 000)		(300 442)
Net finance cost	(210 369)		(213 699)
Impairment losses on assets	(548 890)		(292 188)
Tax and normalisation adjustments	(66 816)		60 859
<b>Plus: Non-controlling interest loss</b>	<b>(50)</b>		150
<b>Normalised earnings</b>	<b>(194 982)</b>	(185.2%)	228 907
Impairment losses on assets (after tax)	475 893		93 122
Impairment of PPE (after tax)	32 797		22 878
Loss/(gain) on disposal of property, plant and equipment (after tax)	4 724		(4 617)
<b>Normalised headline earnings</b>	<b>318 432</b>	(6.4%)	340 290

## Investment income and finance cost

The Group's net finance cost (including IFRS 16 lease liabilities) decreased by 1.6% from R213.7 million to R210.4 million.

Group net finance costs on interest-bearing debt (excluding IFRS 16 lease liabilities) decreased by 13.7% from R165.5 million to R142.8 million, mainly due to the decrease in the Johannesburg interbank average lending rate (JIBAR) in the current prior period.

Finance charges incurred on lease liabilities (IFRS 16) increased by 32.1% from R45.7 million to R60.4 million.

## Taxation

The Group's effective tax rate of 10.7% (2023: 28.3%), is mainly a result of the impact of impairments on intangible assets. The effective tax rate excluding the effect of impairments is 24.3% (2023: 24.9%).

## Earnings and headline earnings

Total diluted earnings per share (EPS) decreased from 38.0 cps to a loss per share of 54.0 cps.

The decrease is mainly attributable to higher impairment charges and lower insurance proceeds relative to the prior year.

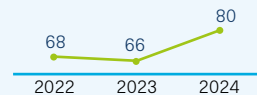
Total diluted headline earnings per share (HEPS) decreased by 11.7% to 42.1 cps (2023: 47.7 cps).

The decrease is mainly attributable to the receipt of insurance proceeds in the prior year.

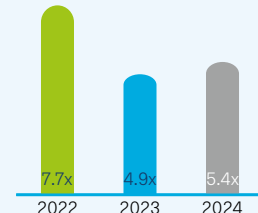




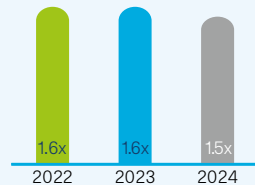
## CFO's review continued

**Cash conversion ratio (%)**

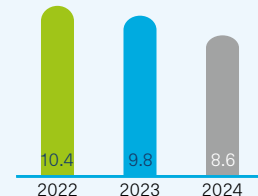
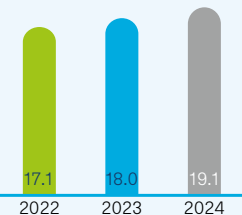
Target: &gt;65%

**Interest cover**

Target: &gt;3.5x

**Gearing ratio**

Target: &lt;2.0x

**ROIC (%)****Net working capital investment (% Group revenue)****Cash flows and balance sheet**

Cash generated from operating activities increased by R28.1 million from R766.3 million to R794.4 million.

Group net working capital increased to 19.1% of Group revenue (2023: 18.0%) as a result of an increase in inventory days, mainly driven by excess milk volumes.

The Group target range is expected to remain elevated between 16% and 18% of revenue in the medium term given continued shipment delays and excess milk volumes.

The Group focused its capital allocation on capacity-enhancing projects in identified growth areas, critical maintenance, and safety projects. Capital expenditure reduced by R49.4 million to R195.2 million (2023: R244.6 million), representing 1.7% of net revenue (2023: 2.1%). The Group's target range remains between 2.0% and 3.0%.

The Group's EBITDA to term debt gearing ratio reduced to 1.5x (2023: 1.6x), normalised EBITDA within the stated target of 1x to 2x.

Net interest cover to EBITDA remains strong at 5.4x from 4.9x in the prior year and compares favourably to the Group's minimum stated target of greater than 3.5x.

Group capital expenditure in 2024 comprised:

- A R93.0 million investment in capacity-enhancing projects, including:
  - » R17.6 million in Dairy on an effluent treatment plant and a new natural cheese slicing line;
  - » R16.7 million investment in tea packing machines in Dry Condiments;
  - » R9.5 million in facility upgrades and new lines to increase chicken capacity in Value-added Meats; and
- R72.5 million investment in replacement and maintenance projects and R30.2 million invested in quality and improvement projects.

**Dividend**

The Board has approved the payment of a cash dividend of 15 cents per ordinary share (gross) in respect of the year ended 31 December 2024 (2023: 15 cents). This is in line with the Group's dividend policy of one dividend declaration per annum at final results, covered 3 to 4 times by normalised HEPS.

**Looking forward**

Consumers are expected to remain under pressure in the short to medium term, as macro-economic indicators remain subdued and continue to present challenges. We will remain focused on executing the Simplification, Growth and Sustainability strategy to sustain the improvements in our key performance measures.

The Group's broader performance and resilient balance sheet in the face of the challenges of 2024 reflect the strength of our strategy, and we remain confident in our long-term growth trajectory.

**Appreciation**

I would like to thank the Finance team across the Group for their hard work and dedication in a complex and demanding year, which included a transition to new auditors. Your professionalism and exceptional efforts are greatly appreciated.

# Ambient Products

## DRY CONDIMENTS

*Cape Herb & Spice™*



## MEAL INGREDIENTS, SNACKS AND SPREADS

**RIALTO**

CAPE COASTAL  
Honey



## WET CONDIMENTS

**MONTAGU**  
FOODS

RETAILER BRANDS  
QUALITY ASSURED



## BAKING



Can

### Contribution to Group:

**49.5%**

of revenue

(2023: 48.5%)

**66.5%**

of EBITDA\*

(2023: 59.7%)

### Sales channels:

**53.6%**

Retail and  
Wholesale

(2023: 56.7%)

**18.4%**

Exports

(2023: 17.0%)

**14.3%**

Food Service

(2023: 13.8%)

**13.7%**

Industrial  
and Contract  
Manufacturing

(2023: 12.5%)

\* Normalised before corporate costs

Cape Herb & Spice (the largest exporter in the Group) and Rialto (the largest importer in the Group) contributed 53% of normalised EBITDA in this category. Their performance is discussed below.

## Performance

Revenue from Ambient Products increased by 5.4%. Category volume sales decreased by 4.1%, while price and mix changes contributed 9.5%.

Industrial and Contract Manufacturing channel revenue increased by 16.2%, while the Exports channel performed strongly with 14.0% growth. The category's gross profit margin declined to 25.5% (2023: 25.6%) and normalised EBITDA increased by 12.2% at a margin of 12.1% (2023: 11.3%).



## Ambient Products continued

### Dry Condiments

*Cape Herb & Spice™*



### Cape Herb & Spice

Cape Herb & Spice procures, blends, treats, packages and sells a wide range of herbs, spices, tea and gifting lines as private label and branded products to local and global retailers in more than 60 countries.

#### Products

Herbs and spices

Seasonings

Liquid seasonings

Sauces



Managing Executive: Paul Jibson

### Our unique position in the market

Cape Herb & Spice is a trusted branded and private label partner to retailers all over the globe. Our extensive range is backed by the highest technical and taste quality standards. Quality people and our passion spur us on to create incredible tasting products.

Our innovative spice grinders are the foundation of our global footprint.

Cape Herb & Spice's proactive team stays in touch with the latest global trends, market insights and the occasional radical innovative idea, to ensure that we continue to innovate, staying ahead of the curve or pioneering new categories.

### New innovations this year

- Korean BBQ Rub
- Argentinian Grill Rub
- Ancho Coffee BBQ Seasoning
- Everything Seasoning
- 1 litre Catershakers

## Ambient Products continued

### Dry Condiments

*Cape Herb & Spice™*

#### Delivery on key priorities 2024

Grow exports by optimising cross-selling opportunities in the Libstar stable.

Further entrench the global recognition of our brand.



On the shelf in Tesco UK

Protect margins through cost savings and increased use of technology and business information tools to enhance planning and unlock manufacturing capacity and efficiencies.

Improve service delivery through a focus on customer relationship management and data-driven analytics.

Develop capacity and expertise in our supply chain through a focus on training and development.



Libstar is using Cape Herb & Spice's sales and marketing expertise to introduce other Group products, with positive responses from global customers, particularly in the Wet Condiments category.

Ambient Product category exports grew 14% year-on-year, but Perishable Product category exports decreased by 12.6% due to decreased sales of value-added meats into the UAE.

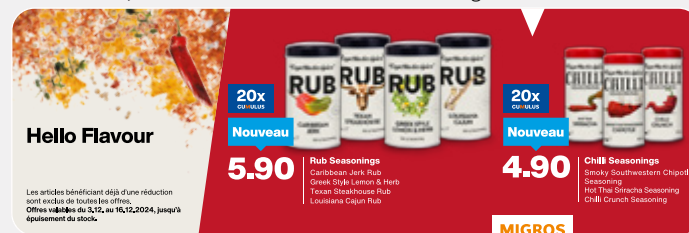


Cape Herb & Spice exhibited at seven international tradeshow in 2024 and the brand's revenue grew 53% year-on-year.

New markets in 2024 included Poland, Brazil, Switzerland, Mexico, Czech Republic, Norway and Denmark.

Four lines were listed in Tesco's UK in March 2024, resulting in the brand being ranked #5 in the United Kingdom in the seasonings category. On the back of the Tesco's UK listing, we listed 13 lines into Tesco's Ireland in September.

In November, we launched seven lines into 350 Migros stores in Switzerland.



Launched into Migros Switzerland



Business intelligence tools were introduced to improve demand planning, ensuring that key ingredients were available to meet customer demand.



We worked with customers to improve forecasting which led to improved procurement planning and service delivery. Increased facetime with customers and enhanced business intelligence helped to deliver insights to customers which were used to optimise ranges and drive a winning recipe of products.



In 2024, we further developed and trained our procurement team. In 2025, we will continue with development further along the supply chain.

#### Highlights



Introduced one-litre bulk tubs which have been well received by food service customers and retail discounters globally.

Strong growth in global brand.

Successfully integrated Khoisan Gourmet into Cape Herb & Spice.

Four new rubs and seasonings launched, as well as vanilla products.

Acquired three new tea packing machines, increasing tea packing capacity and improving labour efficiencies.





## Ambient Products continued

### Dry Condiments *Cape Herb & Spice*™

#### Challenges and mitigating actions

##### Attracting, developing and retaining industry experts

We have a highly experienced senior practitioner who is developing the team and expanding our technical capacity. This year we implemented a technology-based hiring solution and a multi-vendor psychometric platform to improve identification and assessment of candidates. We conducted a training needs analysis that forms the basis for the training plan for 2025 and identified key employees to add to the Libstar Talent Management Programme. Our Employee Value Proposition includes competitive salaries and a range of benefits to improve retention.

KVI  
1

##### Improving Group efficiencies

The integration of Khoisan Gourmet into Cape Herb & Spice has helped to simplify the operating model, reduced duplication of costs and strengthened our front-end sales and marketing capability and focus.

KVI  
2

#### Priorities for 2025

- Further simplify operations and sales structures, as well as standardise systems.
- Grow Libstar exports, the Cape Herb & Spice brand and the I Love brand.

#### New product launches:



Korean BBQ



Argentinian Grill



Ancho Coffee



Bagel Seasoning

#### Vanilla products in collaboration with Cecil Vinegar

We transitioned the Khoisan Gourmet Vanilla Products into the Cape Herb & Spice brand and simplified operations further by integrating the extract manufacture into Cecil Vinegar's operations from 2025.



Vanilla Pod



Extract



Paste

## Ambient Products continued

### Dry Condiments



### Cape Foods

#### Manufacturing, selling and exporting quality herbs, spices and seasonings

Cape Foods manufactures quality herbs, seasonings and spices, and is an international supplier of specialty food products to retailers and importers. We are a BRC accredited facility, supplying major supermarkets in South Africa and exporting to more than 20 countries.

#### Products

Herbs and spices

Seasonings

Popcorn seasonings

Dessert decoration products

#### Progress in 2024

- Grew total sales by 40%.
- Successfully installed new filling equipment and packaging lines to offer solution to the lower end of the market.
- While spice grinders remain the backbone of our export business, new innovative spice and packaging solutions are broadening our product offering and securing access to new sales channels.
- Successfully installed new production capabilities to deliver more cost-effective solutions to the retail trade.
- Secured private label contracts that more than doubled local sales.
- Exhibited at international trade shows to build on existing relationships, find new potential customers and launch new products, resulting in new customers secured in the USA, Korea, Australia and Israel.
- The sharp increase in demand for local private label products, together with export growth, required a focus on improving production efficiencies. Higher capacity utilisation, innovative solutions and the assistance of Libstar and other business units saw efficiencies increase by more than 20%.

In 2025, we aim to grow the local market even further by launching new product and packaging solutions.



## Ambient Products continued

### Meal Ingredients

**RIALTO**


### Rialto

#### Meal ingredients

Rialto specialises in sourcing, importing and procuring local and international food and packaging products in private label and leading international brands.

#### Products

- Pasta, rice and noodles
- Oil, vinegar and dressings
- Sauces and condiments
- Canned products
- Plant-based food and beverage solutions
- Seasonings and rubs
- Cocktail mixes
- Jams and condiments
- Local Danish Style Feta
- Premium ambient soup range
- Chilled desserts
- Food packaging
- Value-added dairy and deli products



Managing Executives: Derek Couzens and Roan Dowling

### Our unique position in the market

We offer customers an integrated solution including sourcing, supply chain, compliance, marketing, sales and value-added manufacturing of products and categories. Rialto is the exclusive importer and distributor of several leading international brands in South Africa.

The key to our success is the team's passion for food and the company's products. We are solutions-driven to exceed the expectations of our customers and create sustainable and long-term partnerships with our supply partners, with an overriding focus on newness and innovation.

### New innovations this year

- Introduced aqueous-coated paper coffee cups to improve recyclability.
- Launched more than 52 private label products across categories and upgraded a further 15 other products.

## Ambient Products continued

## Meal Ingredients



## Delivery on key priorities 2024

Focus on Food Service as a growth channel.



Established a dedicated Food Service structure with specific sub-channel focus (quick service restaurants, sit-down restaurants, hospitality, distributors and industrial food processors) to address and meet the specific requirements of each one. This consolidated structure will cover the entire Libstar Ambient Product category going forward.

Consolidation of warehouse facilities and supply chain model.



2024 saw increased throughput in the consolidated Libstar supply chain model, reducing overall supply chain costs for all participating business units. A similar model is planned for the Food Service channel.

Increase local launches by tapping into global food trends.



Local launches this year included plant-based food and beverages, higher yield olive oil blends, increased participation in the high-growth beverage category of cocktail mixes, soups, premium gift-worthy product ranges, chilled desserts and the relaunch of a private label Indian food range at a key customer.

Expansion of chilled slicing sales following the implementation of a new slicing line with added capabilities.



New dairy slices were developed in participation with a local boutique cheesery, adding to our range and further launches of international slices are planned.

Finding solutions for imports to counter the current shipping challenges.



We have increased stock holding on key value lines and increased the number of shipping partners to secure the best shipping route solutions. Where necessary, we use airfreight in partnership with suppliers/customers to cover shortfalls in key products.

Where possible, we avoid the use of transshipments to further mitigate against shipping delay risks.

Further extend our eco-sensitive packaging offering across diversified product categories.



We introduced aqueous-coated paper as a medium in paper cup production, which allows raw material to be both compostable and recyclable. This avoids the recyclability challenges posed by polylactic acid PLA, previously the most popular option regarding eco-sensitive beverage packaging.

Expansion into growing food categories.



We launched plant-based meat and beverages, as well as authentic Italian chilled desserts.

Leadership development to strengthen succession.



We highlighted the importance of talent management as a key driver in ensuring a sustainable succession plan across the business. With the launch of *One Libstar* and the accompanying culture initiatives, this focus will be further strengthened in 2025.

## Highlights



We increased generator capacity as further backup to unplanned disruptions, particularly in Gauteng.

90% of the facility now operates with energy-efficient LED lighting as part of our ongoing upgrade project.

We are raising awareness of recycling across packaging categories. The new cheese line uses 100% recyclable packaging.

Increased focus on marketing has raised Rialto's brand awareness significantly.

Stability in margins and cost containment resulting in EBIT and EBITDA year-on-year growth.

Commissioning the chilled slicing line increased yield and production capacity.

Export sales grew faster than local sales, with strong growth in Namibia and Botswana. We are developing an export strategy into the SADC region.



## Ambient Products continued

### Meal Ingredients



### Challenges and mitigating actions

#### Currency volatility

Foreign exchange volatility is an ongoing challenge, but in 2024 we took advantage of the stronger and more stable Rand by increasing our forward cover.

KVI  
3

#### Focus on Food Service

Libstar is sharpening its focus on expanding business in the Food Service channel, using Rialto's strong relationships in the sector to grow volumes for Group businesses. Growth in this area is supported by increasing tourism that is driving demand in hotels, restaurants, conference centres and catering and events businesses.

There is a powerful dynamic between the Food Service and Retail channels as products introduced in restaurants drive consumer demand in retail stores.

We segmented the Food Service channel to identify opportunities aligned to the unique demands of each sub-channel. Areas of progress during the year include:

- Retailer Brands launched 20 baking aids products into food services and unlocked potential in the industrial food processors channel.
- Montagu Foods developed unique sauces for QSR and franchises, including Fiery Mayo, condiment sachets and Denny pasta sauces.
- Amaro Foods Food Service range samples received positive responses and we are exploring potential collaborations on vegan menu offerings.
- Capitalising on the infused honey trend, we received excellent feedback on Hot and Super-Hot Honey during Innovation Days.
- Cape Herb & Spice produced bespoke spice blends and shakers for four restaurant franchises and a range of one-litre Cater Shakers.
- Ambassador Foods is exploring opportunities to pair its vegan cheese with plant-based meal options.

### Supply chain

Disruption of supply chain due to geopolitical developments led to increased lead times which are further compounded by local port inefficiencies. This has necessitated higher stock holdings to avoid out of stocks, especially with regard to key value lines.

### Priorities for 2025

- Leverage and unlock Libstar Ambient Category capabilities into the Food Service channel.
- Consolidate/expand warehouses to meet medium to long-term growth requirements.
- Talent development, succession planning and growing company culture.
- Continuous improvement and execution of operational efficiencies by reviewing key standard operating procedures.
- Build growth categories.
- Innovate in new categories, such as desserts.
- Integration of the Meal Ingredients, Snacks and Spreads sub-categories.



## Ambient Products continued

### Snacks



#### Ambassador Foods

##### Snacking

##### Delicious nuts and related snacks

Ambassador Foods specialises in the import and export of varieties of edible nuts, dried fruit, seeds and related snack products.

##### Products

Cereals: granola, muesli, pops

Bars: health, snack, protein and confectionery bars

Nuts, seeds and fruit: various flavours and mixes

Spreads: nut, seed and indulgent spreads

Confectionery: Turkish delight, nougat, fudges

Vegan cheese

#### Progress in 2024

- Promotions and competitor ranges at lower quality and product specifications affected volumes.
- Focus on improving machine availability.
- Investigating different nut grades to maintain price points while retaining quality.
- Appointments made to strengthen teams and customer relationships.
- Implemented a procurement strategy for our top 10 raw materials aligned to crop/harvest periods and ensuring more than one supplier to improve negotiating power.
- Steady growth in exports to the Middle East.

In the year ahead, we will continue to streamline factory efficiencies, launch new exciting products and further strengthen our teams and cross-team functionality.

### Spreads



#### Cape Coastal Honey

##### Spreads

##### One of South Africa's largest sustainable honey producers

Cape Coastal Honey leads in sustainable honey sourcing and advocates for sustainable beekeeping practices. All our honey is badger friendly and non-irradiated.

##### Products

A wide range of multi-flora and single varieties of honey.

Syrups

#### Progress in 2024

- Cape Coastal Honey earned Ecocert Organic Certification for its syrup factory.
- We introduced smaller pack sizes to ensure premium products are available at lower price points.

- During the year, we introduced a range of syrups, including imported maple syrup and golden syrup.
- Production achieved 100% availability and kept wastage low, with no returns.
- Maintained customer food safety audit results within customer satisfaction parameters.
- We are working with Cape Herb & Spice to identify bulk and retail export markets.
- Opportunities in the Food Service channel are being explored with Rialto.
- We introduced clean flake labels to improve recyclability of our bottles, use fully recyclable labels and switched to biodegradable pallet wraps eliminating plastic wrap from our facility.

In 2025, we aim to complete our sustainability projects and develop a five-year honey sustainability plan, roll out culture development initiatives and reduce waste and improve efficiencies on the syrup production line.



Ambient Products continued

Wet Condiments



Wet Condiments produces a range of condiments, dressings, marinades, sauces, vinegars and baking agents crafted from high-quality ingredients, ensuring superior taste and consistency.

Products

Vinegars	Creamy sauces
Verjuice	Pestos
Lemon juice	Honey
Glazes	Cook-in sauces
Dressings	Pasta sauces
Marinades/Bastings	Pour-over sauces
Chutney	Soups
Sweet chilli sauce	Baking aids
Tomato sauce	Raising agents
Mustard	Jelly
Hot sauces	Colours and essences



Managing Executive: Ingrid Uys

Our unique position in the market

Wet Condiments distinguishes itself through its unwavering quality, category expertise and innovation. Our ability to anticipate trends and offer tailored solutions positions us as a trusted partner for retailers and our brands.

New innovations this year

Launched a range of innovative products, spanning private label offerings across multiple categories and retailers, as well as our own brands.

- First to market with the Jan Braai Seafood Potjie Sauce, setting a new benchmark in the category.
- Introduced a 1L spirit vinegar offering, disrupting the segment and reshaping consumer purchasing behaviour.
- The Denny brand strategically strengthened its position in the POS category by introducing a variety of new flavours, which have already shown strong short-term growth.

These innovations reinforce our commitment to category leadership and market disruption.

Highlights



Most production sites achieved optimal utilisation and implemented line speed optimisation, streamlining processes, reducing downtime and enhancing overall output consistency.

Introduced combo-buy initiatives, such as the pairing of vinegar and bicarbonate of soda, delivering strong performance. This included consumer education efforts highlighting their cleaning applications to enhance sales.

Consolidated raw material procurement supported cost efficiencies and margins.

Upgraded electricity backup supply and cooling infrastructure at Cecil Vinegar to ensure production stability and improve fermentation capacity. The upgrades also reduce overall plant water usage by 19% and cooling electricity usage by 36%.

Achieved BRC food safety accreditation, a significant milestone that underscores our commitment to the highest standards of quality, safety and operational excellence. Certification opens up various export market opportunities.

## Ambient Products continued

### Wet Condiments



KVI  
2

#### Exploring opportunities within the Group

- Raw material procurement was consolidated between Montagu Foods and Dickon Hall Foods, improving pricing, supporting cost efficiencies and enhancing margins.
- Export opportunities through Cape Herb & Spice are being explored.
- Robertson baking aids and Safari products were added to the Rialto Food Service catalogue to grow sales in this channel.
- Employees in the Wet Condiments cluster are being empowered to work across functions to share learnings and improve performance.

KVI  
3

## Challenges and mitigating actions

### Constrained economic environment

We have seen a shift in consumer purchasing behaviour to smaller pack sizes, especially in the table sauces category. We introduced larger pack sizes in vinegar, Epsom salts and bicarbonate of soda to offer better value for money, which resulted in substantial market share growth. Innovative pricing strategies and targeted marketing efforts will be critical to capturing and retaining consumer loyalty in the current constrained economic environment.

### Stable vinegar production

Electricity supply interruptions have a significant impact on the fermentation process. The generation and electrification systems at our facility in the Western Cape were upgraded in June to mitigate this. Although load-shedding has now largely stopped, municipal electricity interruptions in Alrode increase the risk of fermentation plant breakdowns at our Johannesburg facility. We are implementing continuous system improvements to improve business continuity and mitigate this risk.

### Montagu Foods: Sustainable packaging for a greener future

Montagu Foods has embarked on a journey towards sustainable packaging to enhance practices for our private label and branded products. This initiative focuses on better serving customers and contributing positively to environmental conservation by supporting the circular economy.

Key elements include the introduction of clean flake labels, which facilitate PET recycling by separating cleanly from packaging. These labels have been trialled and will be rolled out in 2025, starting with key customers.

Montagu Foods is also testing recyclable and microwaveable pouches for the Denny brand sauces to replace the current non-recyclable foiled pouches.

### Retailer Brands green initiative: Bringing life and colour to the workplace

In July 2024, Retailer Brands installed planter boxes built on site using old pallets at their offices. The planter boxes were used to grow produce such as spinach, carrots and beetroot which are donated to the Upper Christian Centre in Johannesburg South, supporting local feeding schemes. The garden initiative brings life and colour to the workplace and has become a gathering spot for employees during breaks, fostering connection and engagement.

## Priorities for 2025

- Grow the Exports and Food Service channels.
- Maintain high service levels and food safety standards.
- Reduce production costs.
- Implementation of shared-services structure.

KVI  
4

### Retailer Brands turnaround

Process optimisation initiatives at Retailer Brands, including implementing material requirements planning (MRP) systems, improved availability of raw materials and packaging and aligned resources with production demands to enable timely and agile production. This resulted in lost sales reducing from R124.2 million in 2023 to R89.4 million in 2024, of which R67 million occurred in the first quarter, prior to new management.

Close collaboration with the sales team was key to enhancing customer centricity, rebuilding trust and expanding product offerings to existing customers. Optimisation of processes and improved utilisation of equipment enabled maximum speed and output, further driving efficiency. Increased volumes positively impacted gross profits by enhancing purchasing power. Knowledge sharing across business units strengthened operations, while a strong focus on variable cost control led to significant cost reductions.

KVI  
2

### Unlocking synergies in the Wet Condiments cluster

Collaboration in procurement across the cluster improved naked margins, particularly for Retailer Brands and Montagu Foods. Knowledge sharing between manufacturing sites and adopting best practices across the cluster enhanced operational efficiency. Additionally, staff empowerment enabled support in key roles, such as business intelligence, strengthening overall capabilities.



Ambient Products continued

Baking



Amaro Foods

Amaro Foods produces baked products of the highest quality, using traditional processes and ingredients. Amaro Foods also has a separate gluten-free processing facility.

Products

- Wraps
- Croissants
- Gluten-free baked products
- Hot-cross buns
- Naan breads
- Soft white and brown rolls
- Speciality breads, rolls and baguettes
- Confectionery/sweet range



Managing Executive: Tony Amaro

Our unique position in the market

Our purpose is to deliver quality bakery products efficiently to our customers by building a culture of excellence that rewards and creates a better future for invested individuals while focusing on our impact on the environment ensuring innovative value-added growth for our stakeholders.

We monitor local and global market trends through research, attending trade fairs and networking events.

New innovations this year

- Launched an upgraded range of gluten-free breads, including a gluten-free sourdough.

New product launches



Gluten-free sourdough bread



Gluten-free brown bread



Garlic naan



Plain naan

## Ambient Products continued

### Baking



#### Delivery on key priorities 2024

Improve real-time and online recording of production waste.



We have invested in technology and people to significantly improve our ability to record waste in real time. The data collected has enhanced decision-making, enabling us to reduce waste, improve yields and strengthen accountability and traceability across our operations. Waste reduced by R2.4 million in 2024. We are intensifying our "War on Waste" in 2025.

Improve systems for job tracking, sales, stock, orders, maintenance and customer feedback.



We have implemented an integrated production and warehouse management system that implements with our ERP system across all four sites. Live integration has enhanced efficiency, data accuracy and real-time visibility, while also significantly improving the traceability of ingredients and products.

Expand our customer base in quick service restaurants and exports.



We are in discussions with local and offshore quick service restaurant chains to expand further.

#### Challenges and mitigating actions

##### Reduced Food Service demand for wraps

Reduced sales of wraps into the Food Service channel were driven by reduced demand from a key customer. This affected the return on invested capital on the new wrap facility installed last year. We have secured new customers in the Food Service channel and are focused on further expanding our customer base with negotiations ongoing with potential customers.

##### Equipment failures

Failure of production equipment results in production downtime and short supply to customers, requiring overtime to catch up production and affecting customer satisfaction. We have improved maintenance practices which led to a 59% reduction in downtime and 25% improvement in short supply incidents.

##### Vacant key positions

Finding the required talent that is a good fit for the business is an ongoing challenge and Amaro has several vacancies in key positions at our facilities as well as in support departments. These positions are currently covered by employees in acting capacities while interviews for permanent appointments are ongoing. Responsibility for candidate interviews has been allocated across teams to enhance progress in recruitment and employee benefit offerings for the relevant categories have been improved to assist with recruitment.

#### Highlights



We experienced good growth in our in-store bakery business.

Invested R12 million in equipment to enhance efficiency, optimise production processes and improve operational resilience.

Increased focus on equipment maintenance saw a significant reduction in downtime year-on-year.

Exports grew well off a low base.

During the year we relaunched our gluten-free bread range, which has been well received in the market.

Installed a 168.4 kWp solar PV system at our flatbread facility.



## Ambient Products continued

KVI  
2

### Exploring opportunities within the Group

We are working with the Rialto team to add additional products to their catalogue to leverage their distribution channels and gain exposure to a broader customer base.

KVI  
3

### Improving on our gluten-free range

Our gluten-free products receive high praise at trade shows and were recognised as among the best worldwide.

In 2024 we launched an upgraded range of gluten-free breads and added an innovative gluten-free sourdough bread. The new breads are lighter, softer and have a more appealing slice size, providing a closer experience to traditional wheat-based breads. The range offers better moisture retention, resulting in a softer, fresher loaf. The flavour has also been refined to achieve a more balanced, naturally delicious tasting bread, bringing with it a new level of satisfaction to gluten-free diets.

## Priorities for 2025

- Roll out our culture plan and team connect.
- Implement a category management project.
- Roll out KPIs to broader teams.
- Filling key vacancies.

## Baking

## Cani



## Cani

### Delicious rusks and cookies

Cani are artisan bakers, offering a range of quality and wholesome rusks and cookies made from the best natural ingredients.

### Products

Rusks

Crunchies

Cookies and treats

Sugar-free health options

### Progress in 2024

- Responsible promotions and competitive pricing to maintain volumes and margins in an environment of reduced consumer spending.
- Significantly improved production output due to improved structure and reduced load-shedding.
- Good growth in EBITDA and average service levels significantly improved on last year.
- Growth in exports to Namibia and Botswana.
- Launched new seasonal ranges including treat components for family and child-friendly activities.
- Good sales growth in private label products.

In 2025, we will work on improving production efficiencies and customer service levels, enhance capacity planning, drive and grow our own brand and strengthen our teams and their capabilities.

# Perishable Products

## DAIRY

LANCEWOOD®

## VALUE-ADDED MEATS



## CONVENIENCE MEALS



## FRESH MUSHROOMS

DENNY

### Contribution to Group:

**49.1%**

of revenue

(2023: 50.0%)

**32.5%**

of EBITDA\*

(2023: 38.0%)

### Sales channels:

**59.1%**

Retail and  
Wholesale

(2023: 55.1%)

**26.7%**

Food Service

(2023: 30.9%)

**9.5%**

Industrial  
and Contract  
Manufacturing

(2023: 8.5%)

**4.7%**

Exports

(2023: 5.5%)

\* Normalised before corporate costs

Lancewood and Finlar Fine Foods are the main contributors to this category, together contributing 103%^ of the category's normalised EBITDA.

## Performance

Revenue from Perishable Products increased by 1.2% with 3.2% positive price/mix changes offset by a 2.0% decline in volumes. This was primarily due to strong sales of hard and soft cheese, as well as yoghurt in Dairy. Convenience Meals launched 48 new products contributing to a 10% increase in volume, and volume growth of 18.2% in value-added chicken.

Retail and Wholesale channel revenue within this category increased by 8.5%, contributing 59% (2023: 55%) of category revenue. Category gross profit margin declined to 16.1% due to increased milk availability and the impact of foot and mouth disease, which resulted in reduced yields, increased competitor activity and a mark down of year-end stock holdings in the Dairy business. Normalised EBITDA decreased by 13.7% at a margin of 6.0% (2023 margin: 7.0%).

^ Greater than 100% due to the loss incurred in Fresh Mushrooms



## Perishable Products continued

## Dairy

## LANCEWOOD®



## Lancewood

Founded in 1996, Lancewood produces a range of dairy products at its state-of-the-art manufacturing facilities. These are strategically situated near local farms so that fresh milk can be delivered daily. This rich, creamy milk is critical to the production of Lancewood products, which are renowned for their distinctive taste and quality. We are passionate about providing consumers with only the best quality products, which is evident in numerous accolades and awards received over the years.

## Products

Cheddar  
Gouda  
Mozzarella  
Edam  
Cottage cheese  
Cream cheese  
Mascarpone  
Yoghurt  
Butter  
Processed cheese  
Whey powder  
Sour cream  
Spreads  
Sauces  
Maas  
Buttermilk  
Cream  
Pasteurised milk



Managing Executive: Cornél Lodewyks

## Our unique position in the market

Lancewood produces many of South Africa's leading cheese and yoghurt products. We pride ourselves on being the trusted private label producer of choice for South Africa's top retailers and the home of country's most awarded soft cheese brand.

We are also the proud local partner of internationally renowned dairy companies Arla (Denmark) and Bel Groupe (France), representing much-loved brands such as The Laughing Cow, Kiri, Babybel, Boursin, Lurpak and Castello.

Our key differentiator is our people and their passion for making quality products for consumers to enjoy daily.

## New innovations this year

- Lactose-free yoghurts, soft cheese and hard cheese.
- No added sugar options.
- Greek Delight double cream plain yoghurt with specially sourced yoghurt culture from Greece.
- Sliced and grated natural cheese.
- Single serve cottage cheese.

## Perishable Products continued

## Dairy

## LANCEWOOD®

## Highlights



## Delivery on key priorities 2024

## Deliver an improved return on net assets (RONA).

» The oversupply of unprocessed milk resulted in Lancewood carrying higher inventory and led to increased competitor discounting. In addition, foot and mouth disease impacted transportation costs and production yields. These factors had a negative impact on margin.

## Margin protection.

» Direct costs for 2024 were well controlled, but the above-mentioned challenges led to margin compression.

## Position Lancewood as a resilient, future-ready, consumer-centric dairy market leader.

» Strong emphasis on social media marketing and television advertising resulted in increased brand and category awareness. Marketing activities are focused on driving consumer education on product usage and ensuring recruitment into growing categories.

## Margin-accretive consumer-centric innovation.

» We launched several innovative new products that align with the trend to healthier eating, including sugar-free, lactose-free and high-in-protein options.

## Simplify and optimise the current Lancewood product portfolio.

» Quarterly rationalisation reviews evaluate product performance by analysing sales data, profitability and other key metrics to identify underperforming products. We continuously streamline the range by discontinuing low-value lines or lines that add undue complexity, allowing the business to focus on the value-enhancing portfolio.

## Reduce costs and improve operational efficiency.

» We introduced initiatives to enhance production efficiency and improve retailer demand forecasting, minimising waste and optimising labour and production processes.

Lancewood retail brand revenue grew by **15%**.

**1.1m** followers on Facebook and **105k** on Instagram.

The Lancewood brand has **26%** share of pre-packed hard cheese (cheddar and gouda), growing sales at **7%\***.

Strong growth in Exports and Wholesale channels, which grew at **19.7%** and **19.1%** respectively.

Double cream yoghurt market share increased to **17%** with a **26%** sales growth, ahead of market.\*

Leading the market with **24%** market share in total natural cheese, with **11%** sales growth.\*

**118%** increase in spontaneous brand awareness of soft cheese.†

Significantly improved waste recycling rates and waste to landfill reduced by **61%** year-on-year.

Lancewood brand soft cheese market share of **56%**, growing at **20%\***, ahead of the market.

Effluent treatment plant to improve quality of water discharged and improve water recycling.

Installed a natural cheese slicing line.

**R1.9 million** in quality food donated to projects addressing hunger and socio-economic development in local communities.

\* Data source: Processed by DataOrbis, Defined Retailers, Value 12MM Jan '25  
† Nielsen Equity Tracker



## Perishable Products continued



## Challenges and mitigating actions

### Difficult trading conditions

The year-on-year increase in unprocessed milk production in South Africa that resulted in a milk surplus was a significant factor that resulted in higher inventory levels and increased competitor price discounting.

Despite tough market conditions, Lancewood delivered a resilient performance, successfully protecting margins and market share.

Production facilities performed well, with conversion costs increasing in line with inflation. Improved demand forecast accuracy and planning initiatives further supported production performance.

The Lancewood brand gained market share in focus categories – cream cheese, cottage cheese and yoghurt – consistently driving category growth. Brand building efforts are yielding positive results evident in the Lancewood brand growth of 15% in retail and increased consumer awareness.

### Foot and mouth outbreak

An outbreak of foot and mouth disease in the Eastern Cape during the year had an adverse impact on transport costs and production yields at our Swellendam production facility.

### Poor port performance

Ongoing container delays at South African ports increased the complexity related to imported products, particularly those with shorter shelf lives, leading to higher inventory levels to ensure constant supply.

## Priorities for 2025

- Define our priority profitable growth portfolio based on our strategy, commercial attractiveness and ability to compete.
- Optimise and expand distribution channels with the right structure, products and route to market.
- Actively manage product and customer mix to improve EBIT.
- Optimise inventory levels and improve working capital cycle.
- Targeted consumer marketing investment for priority brands.
- Invest in innovative dairy products and brands.
- Systemically control and reduce all costs.

## Perishable Products continued

### Value-added Meats



### Finlar Fine Foods

Finlar Fine Foods (Finlar) is a valued-added processor of red and white meat products. We have a proud 30-year history, with some customer relationships spanning more than 20 years. The first plant was opened in Cape Town in 1994, with a second operation opened in Johannesburg in 1995. In 2023, we opened a new non-halal production facility in Cape Town.

### Products

Formed patties

Value-added coated beef and chicken products

Value-added coated pork products (separate facility)

Value-added coated plant-based protein



Managing Executive: Tim Judge

### Our unique position in the market

Finlar's extensive industry experience allows us to develop gourmet products for discerning customers and rapidly introduce these to the market. We constantly explore new ideas and trends to stay abreast of the latest global technology, recipes and products. For example, our strong product innovation and investment in new value-adding technologies have driven the growing uptake of value-added chicken products.

### New innovations this year

- Tenders in Food Service.
- Chicken burger patty in Retail.
- Nine new fresh products, three frozen and three food service products in Retail.



## Perishable Products continued

### Value-added Meats



#### Delivery on key priorities 2024

Continue to service and innovate in the South African market.



Successful new launches for fresh and frozen products in the Retail channel.

Expand export markets, notably the UAE and Saudi Arabia for growth.



Progress has slowed due to the instability in the region, but will remain a focus in 2025. We successfully launched exports to Mauritius during the year and are attending overseas food trade shows to explore opportunities in the year ahead.

Simplify the operating model to address changes in volume.



Shift structures were amended for a fixed period in the Cape Town facility and are being reviewed in the Johannesburg facility to address capacity requirements.

Complete consolidation with Lancewood's sales and marketing, HR, technical and administrative functions.



The ability to realise significant benefits from this initiative was re-evaluated. It was decided to retain dedicated functions in Finlar.

#### Highlights



Launched exports to Mauritius.

Strong growth in poultry product volumes in Retail and quick service restaurant channels.

Launched Tenders into the Food Service channel, with over 1 000 tons of Tenders sold.

Launched 19 new products across sales channels.

Realised increased plant efficiencies.

Secured additional contract manufacturing volumes.

### Challenges and mitigating actions

#### Macro-economic conditions

Spending power for customers in the quick service restaurant and Retail channels remained under pressure in 2024, although there was a good recovery towards the end of 2024. Our promotions in the Retail channel supported good growth, particularly in poultry products. Product development to accommodate online deliveries supported sales in 2024 and will continue in 2025.

#### Increased competition

A key quick service restaurant customer introduced an additional beef supplier late in 2023, which resulted in the loss of 50% of our beef volumes. We are also seeing increased competition in the retail frozen category. We continue to focus on product innovation, broadening our range of value-added chicken products using new technology to provide bone-in and fully cooked products.

#### Rising primary raw material costs

Poultry and beef prices fluctuated during the year, trending strongly upwards towards the end of the year on rising feed and production costs. Exchange rates, regulations, trade policies and strict halal certification requirements mean that imports remain unviable. We are focused on managing costs, with an emphasis on maintenance, diesel and labour costs. We engage with suppliers to build relationships to ensure ongoing competitiveness.

#### Capacity constraints

While current capacity meets customer requirements, strong growth in value-added poultry production has resulted in capacity constraints in those facilities. Management continues to monitor the situation.

#### Priorities for 2025

- Realise efficiencies and maximise throughput at our facilities.
- Enhance shift patterns to improve factory production output.
- Further strengthen customer relationships.

## Perishable Products continued

### Convenience Meals

Millennium Foods

#### Millennium Foods

#### A leader in high-quality convenience meals

Millennium Foods is a leader in the Convenience Meals category, creating premium but affordable ready to heat and ready to eat products for busy consumers. We stand out in the market for our commitment to using the freshest high-quality raw materials and maintaining the highest standards of food safety and quality.

#### Products

Fresh and frozen convenience meals

Salads

Side dishes

Soups

Desserts

#### Progress in 2024

- Strong and rising demand across all sub-categories and channels.
- Online participation has grown, indicating the preference for convenience for this shopper.
- A milestone was reached on our own brand, DINE-IN reaching R15 million sales for the year and securing a listing in a major retailer in the Western Cape and Free State. These products are now also available in Botswana and Namibia.
- Launched our brand on social media, reaching more than 1.2 million users on Instagram and 2 million user on Facebook.
- The new shift system was successfully implemented in August to accommodate the additional demand and working hours required to meet demand. This has had a positive effect on employee morale.
- Procurement initiatives resulted in savings in materials and packaging purchases.
- Improved net working capital days and return on net assets.
- An additional generator was installed and commissioned to address electricity supply interruptions.



Fresh convenience



Frozen convenience



## Perishable Products continued

### Convenience meals



KVI  
2

#### Benefits realised during the year from the new Perishable Products structure included:

- Negotiating with suppliers with Lancewood realised savings in distribution and raw materials including chicken, cheese, butter and starch.
- Strategic sourcing of products intergroup from Rialto, Lancewood and Denny.
- With the assistance of Lancewood export resources, we started exporting into Namibia and Botswana.
- Lancewood's logistics team is assisting the factory to improve alignment of forecasts to production to improve efficiencies, reduce waste and maintain service levels.

KVI  
4

KVI  
3

#### Strong growth in Convenience Meals

The Convenience Meals category experienced remarkable growth in 2024, with sales increasing by 15.8% year-on-year. Millennium launched 48 new products, resulting in a 13% increase in volumes. December was a particularly good month, with production reaching a new record of 216 tonnes. We also saw notable improvements in net working capital days, return on net assets and the disabling injury frequency rate.

#### Priorities for 2025

- Strengthen forecasting methodologies and improve demand planning processes.
- Optimise distribution network solutions to unlock savings.
- Continue to grow the DINE-IN brand and products.
- Systemically control and reduce costs.
- Effective working capital management.



## Perishable Products continued

### Convenience Meals



### Umatie

#### Delicious and nutritious frozen meals for babies and kiddies

Umatie offers a wide variety of delicious and nutritious frozen meals for babies from six months and kiddies from one year onwards. The meals are developed to match development stages, providing age and texture appropriate meals to support parents to make the weaning journey effortless. Umatie started as an online business with door-to-door delivery and has expanded into over 250 retail outlets.

#### Products

Delicious frozen ready meals, sauces and rusks for babies and kiddies.

### Progress in 2024

- Increased retail listings and increased retail sales through on-demand grocery delivery services resulted in higher production volumes and efficiencies, although at lower margins than the online sales channel.
- Profit margins maintained through cost-cutting and production efficiencies.
- Increases in raw material input costs were limited to 2% by changing suppliers.
- 100 new retail store listings were secured in Gauteng. A phased launch approach will ensure consistency in quality and service levels during the first quarter of 2025.
- Launched Umatie's first ambient product – Kooky Rusks for kids.
- Umatie has an active social media presence where we interact directly with consumers to understand their needs and build engagement.

In 2025, we aim to broaden products in our existing ranges and launch new products.



### Kooky Rusks – wholesome and delicious snacks for kids

In November 2024, we launched four variants of our new Kooky Rusks – Apple, Carrot & Cinnamon, Butternut & Banana, Peach & Grape, Sweet Potato & Date

Kooky Rusks are handmade with locally grown, GMO-free wheat flour, lightly sweetened with organic coconut sugar and packed with real veggies or fruit. They are designed for little hands, offering a fun and healthy snack that is both delicious and convenient.

Each rusk is individually wrapped, making them the perfect on-the-go snack for busy families. In keeping with Umatie's commitment to sustainability, the super cute Kooky Rusk boxes feature a unique "peekaboo" hole to view the individually wrapped rusks. The packaging is printed on 70% recycled stock sourced from South Africa and is fully FSC-approved. Both the box and wrappers are 100% recyclable, ensuring that the planet is taken care of.

Kooky Rusks are co-manufactured by Cani for Umatie.



## Perishable Products continued

## Fresh Mushrooms

DENNY.



## Denny Mushrooms

## South Africa's number one producer of fresh mushrooms

For more than 70 years, Denny has been a proudly South African household name. We are THE mushroom experts and we are passionate about what we do. Denny is the number one producer and supplier of fresh mushrooms in South Africa.

## Products

Fresh mushrooms

Canned mushrooms

## Progress in 2024

- Production performance is an ongoing challenge that affects availability of mushrooms.
- Denny's market share in retailers increased in most channels.
- We reduced packaging size to have more units available on retailer shelves.
- Improving labour efficiencies and achieving production yield remain key priorities.
- During the year, we rebuilt three growing rooms at the Phesantekraal facility.
- Water supply remains a risk and we aim to minimise municipal water use by using borehole water.
- The cost of peat, one of our biggest raw material costs, increased more than expected and we are busy with trials from alternative suppliers to bring this cost back in line.
- Food Service channel sales grew well in fresh and value-added products.

In 2025, our focus will be on improving yields up to our target.

# Household & Personal *Care*

Household & Personal Care (HPC) partners with leading retailers in South Africa to develop, design and maintain their private label and dealer-own brands of household and personal care cleaning and sanitising products and accessories. As a non-food business, HPC is not core to Libstar's future portfolio. In December 2024, the Group sold Chet Chemicals and continues to explore strategic options related to Contactim, the remaining non-food business.

## Contribution to Group:

**1.4%**

**of revenue**

(2023: 1.5%)

**1.0%**

**of EBITDA\***

(2023: 2.3%)

\* Normalised EBITDA before corporate costs

Revenue decreased by 7.9%, while volumes declined by 8.5% and an improved price/mix contribution of 0.6%. Gross profit margins weakened from 36.5% to 28.2%.

## Sales channels:

**92.6%**

**Retail and Wholesale**

(2023: 94.9%)

**4.4%**

**Exports**

(2023: 1.8%)

**3.0%**

**Industrial and Contract  
Manufacturing**

(2023: 3.3%)



A jar of Goldcrest Sweet Pepper Relish is positioned in the upper left corner. The jar has a black lid and a label with the brand name 'GOLDCREST' in a gold-bordered black box, followed by 'SWEET PEPPER RELISH' in white text. Below this, it says 'PERFECT FOR ANTIPASTI PLATTERS'. The relish itself is a vibrant red. To the right, a wooden board holds several sandwiches made with baguette, filled with meat, cheese, and topped with the relish and fresh arugula. The background is a textured, olive-green fabric.

# Our responsibility

73

Environmental, social and governance  
review



# Environmental, social and governance *review*

The Social, Ethics and Transformation Committee oversees environmental, social and governance (ESG) initiatives and performance. ESG risks form part of the Audit and Risk Committee's responsibilities.

The CEO is responsible for the integration of the ESG strategy into the business and the executive and senior management at each business unit are responsible for overseeing its implementation. ESG-related KPIs are included in the Short-Term Incentive Programme to ensure alignment. The 20% ESG weighting includes targets for water and electricity consumption, the disabling injury frequency rate and the Group B-BBEE rating.

Business units are required to comply with all legislative requirements, including environmental, health and safety as well as food safety. Legal registers have been developed for each site that include municipal, provincial and national legislation, and any changes to legislation are communicated within the Group in real time through an online regulatory compliance management system.

The five-year ESG strategy (2021 – 2025) sets the framework for sustainability across the Group and includes action plans and measurement criteria. The businesses apply the elements of the strategy to the areas most relevant to their operations.

We continue to embed sustainability across the business and improve the quality of ESG data available for reporting and monitoring.

In 2024, we completed the rollout of an integrated online sustainability management system to capture ESG data to facilitate reporting and monitoring of data across all operating sites. The system will also facilitate the setting of science-based targets to align with the requirements of major customers.

The rollout included extensive training on the use of the system as well as workshops to improve understanding on the carbon landscape, science-based targets and Scope 3 emissions. The 28 sites that implemented the system in 2023 focused on data capturing and third-party validation of information against the 2022 baseline.

All business units have been mandated to investigate opportunities to implement renewable energy solutions and save water.

The Board received training on ESG and the role of the Board to enhance Directors' understanding of ESG challenges and the oversight role of the Board.

In 2025, we will establish an ESG Steering Committee to drive and monitor ESG initiatives across the Group.

## Our Purpose



To nourish and unite people with great-tasting, quality food

## Our ESG Vision



To be a sector-leader in sustainable practices

### Environment



- Climate action
- Energy use
- Water management
- Waste management

### Social



- Human rights
- Health, safety and well-being
- Diversity, inclusion and equity
- Food safety
- Positive nutrition
- Community engagement
- Sustainable and responsible sourcing

### Governance



- Anti-bribery and corruption
- Data and IT security

Supported by:

Values | Culture | Ethics | Transparency

## ESG targets and achievements

	Target	2024 Performance
Electricity consumption	0% increase on the 2023 baseline (kWh per unit produced)	Increase >0%
Water consumption	0% increase on the 2023 baseline (l per unit produced)	Increase >0%
Disabling injury frequency rate	1.4	1.1
B-BBEE level	Level 4	Level 5



## Environmental, social and governance review continued



### Environment

Libstar is committed to limiting its impact on the environment and systems are in place to ensure responsible operations.

#### CLIMATE ACTION

##### Commitments:

- Identify which reporting framework to use.
- Conduct a climate risk assessment.
- Continue to assess the financial implications of carbon tax and associated emerging legislation.
- Engage with suppliers and value chain partners to reduce emissions in their operations and supply chains.
- Establish science-based targets to be used across all business units.
- Develop a roadmap towards a low carbon business (to meet the internal targets set).

Extreme weather events that caused deaths, damaged property, infrastructure and the environment, and disrupted basic services in KwaZulu-Natal (December 2023 and January 2024) and across the country (May and June 2024) demonstrate the need to accelerate action to combat climate change.

Climate change is included in our Risk Management Framework for monitoring. The climate-related risks that have the biggest potential impact on the business are water scarcity, extreme weather events and the impact of changing weather patterns on the availability of raw materials.

We are currently working on ensuring our carbon emission baseline data is reliable and collated across the Group. A review of climate reporting frameworks is underway.

Libstar's 2024 carbon footprint increased by 6% due to the inclusion of some packaging types reported for the first time this year.

Scope	Category	FY21 tCO <sub>2</sub> e	FY22 tCO <sub>2</sub> e	FY23 tCO <sub>2</sub> e	2024 tCO <sub>2</sub> e
Scope 1	Mobile combustion	4 656	6 161	2 690	2 815
	Generation of energy: stationary combustion	35 877	48 635	44 019	38 209
	Fugitive emissions: Kyoto gases	8 891	3 050	4 446	7 741
	Wastewater treatment	384	1 547	1 513	1 188
	<b>Sub-total scope 1</b>	<b>49 808</b>	<b>59 393</b>	<b>52 668</b>	<b>49 953</b>
Scope 2	Purchased energy – location based	77 601	78 863	73 023	72 857
	<b>Sub-total scope 1 and 2</b>	<b>127 409</b>	<b>136 256</b>	<b>125 691</b>	<b>122 811</b>
Scope 3	Purchased goods and services: water	1 616	1 392	1 279	1 483
	Purchased goods and services: packaging	DNR	53 770	35 487	53 582
	Fuel and energy-related activities	DNR	35 293	27 305	25 241
	Waste generated in operations	7 460	5 047	5 739	3 527
	Business travel	188	436	449	726
	Upstream transportation and distribution	5 836	6 249	6 070	6 454
	<b>Sub-total scope 3</b>	<b>15 099</b>	<b>102 187</b>	<b>76 329</b>	<b>91 014</b>
Other direct	Fugitive emissions (non-Kyoto gases)	2 130	278	713	1 185
<b>Total emissions</b>		<b>144 638</b>	<b>238 721</b>	<b>202 734</b>	<b>215 010</b>

## Environmental, social and governance review continued

Greenhouse gas emissions are measured in accordance with the GHG Protocol Corporate Standard (WRI & WBCSD, 2004) using the operational control approach to consolidate emissions. All Scope 1 and 2 emissions were measured while selected relevant Scope 3 emissions were included.

The inventory boundary includes the 18 business units of the Group and the Libstar Central head office. The organisational and operational boundaries remained the same relative to 2023. Although Chamonix Spring Water was closed and Chet Chemicals was sold during 2024, their emissions have been included for the duration that they operated under Libstar during the reporting period.

In 2024, Libstar paid carbon tax of R2.2 million relating to the 2023 financial year, the most recently assessed period at the time of finalisation of the Integrated Annual Report. We are monitoring developments relating to the Climate Change Act No 22 of 2024 which was assented by the President on 23 July 2024 but is not yet in force. Sectoral greenhouse gas emissions targets are expected to be set and carbon budgets assigned by the Minister of Forestry, Fisheries and the Environment.

### ENERGY USE

#### Commitments:

- Measure the Group's baseline energy consumption (2023 baseline). ✓
- Reduce total Scope 1 and 2 carbon emissions arising from energy consumption.
- Assess the options available to increase on-site renewable energy generation.
- Become more efficient in our energy consumption across all operations.
- Improve data collection and reporting on energy use.

Scope 2 emissions from grid-sourced electricity consumption remains the largest contributor to Libstar's total carbon footprint at 34% of 2024 emissions and improving energy efficiency is a key focus in reducing our carbon footprint. We set a Group target to keep energy consumption from electricity and generator usage per unit produced unchanged in 2024 against the 2023 baseline.

In 2024, Group electricity consumption increased to 78 257 099 kWh (2023: 72 300 320 kWh) while diesel use for generators decreased to R13.7 million (2023: R76.5 million) due to reduced load-shedding.

There were four rooftop solar PV installations in the Group at the start of the year – one each at Finlar Fine Foods, Cape Herb & Spice, Cape Coastal Honey and Contactim. During the year a 168.4 kWp solar system was installed at Amaro Foods in Epping. These installations generated a total of 991 448 kWh of renewable electricity during 2024, resulting in 923 tCO<sub>2</sub>e of avoided emissions (2023: 807 036 kWh and 815 tCO<sub>2</sub>e avoided).

Several other operating facilities have been identified for solar PV installations of which four sites have been approved for 2025. Not all of the identified sites are feasible at this time due to complexities with landlord agreements and we will therefore prioritise sites owned by the Group.

### WATER MANAGEMENT

#### Commitments:

- Determine the Group's water usage baseline (2023 baseline). ✓
- Reduce total water consumption.
- Influence the Group's supply chain on water intensity.

Water is used in food manufacturing as an ingredient in certain categories, for cooling and heating and for cleaning and sanitation of equipment. Water consumption is therefore directly linked to production levels. Our target for the year was for a 0% increase in water consumption per unit produced year-on-year.

Libstar is committed to improving water efficiencies to reduce water consumption and promote water conservation. Water savings have been identified as one of leadership's key performance indicators.

Water is managed in accordance with the South African National Water Act 36 of 1998 and municipal by-laws that set freshwater allocations and effluent discharge permits and limits. Water contingency plans include boreholes at critical manufacturing sites and/or tanks sufficient to cover one to three days of production. We are investigating off-grid purification solutions in our larger businesses. Certain of the Group's business units conduct wastewater treatment on site.

Group water consumption increased by 18.9% to 1 628 061 KI of water in 2024 (2023: 1 369 249 KI).

### WASTE MANAGEMENT

#### Commitments:

- Establish waste streams. ✓
- Measure baseline data for waste streams.
- Reduce waste sent to landfill by being efficient in the use of resources and through reusing and recycling unwanted materials, where possible.

Waste streams at Libstar operations include organic waste, water waste, packaging waste and energy waste.

Production waste includes food scraps and trimmings, process water for washing, cooking and cooling as well as cleaning wastewater. This was identified as a key focus area by a majority of business units in their cost saving and efficiency improvement plans. Targets have been set to reduce wastage.

Libstar's waste management initiatives focus on increasing recycling rates, reducing waste to landfill and realising cost savings by minimising waste. The Group tracks and monitors non-recyclable waste, recycled waste and hazardous waste. Hazardous waste is disposed of at authorised facilities.

Business units have integrated waste management plans and contract independent waste management companies to manage and recycle waste. Waste management data is collected in our online sustainability data management system.

In 2024, Libstar Group recycled 21 186 380 kg of waste (2023: 74 856 086 kg) and disposed of 1 854 619 kg to landfill (2023: 2 686 501 kg).

Lancewood, our largest business unit, is working towards a target of zero waste to landfill by 2030.



## Environmental, social and governance review continued

### PACKAGING

#### Commitments:

- Reduce single-use plastics and minimise total packaging material.
- Undertake a packaging baseline assessment.
- Monitor and report packaging material usage in line with Extended Producer Responsibility requirements. ✓
- Develop a packaging waste strategy and implement this across the Group over the next five years.
- Continue to work with customers regarding eco-friendly packaging options. ✓
- Measure volumes and increase percentage of sustainable packaging options used. ✓

South Africa introduced Extended Producer Responsibility (EPR) Regulations in 2021 to reduce waste and increase recovery, recycling and reuse of materials. Libstar is registered with the Department of Forestry, Fisheries and the Environment (DFFE) as a producer in terms of the regulations, captures EPR data and pays fees for packaging waste where liable.

Libstar is committed to reducing waste associated with our products. Packaging requirements are largely dictated by customers and we collaborate with our customers to develop sustainable packaging that meets requirements for food quality, food safety and shelf life. As an example, 30% of Rialto's food service packaging is eco-sensitive and compostable.

### Working to protect honey badgers and achieve net-zero honey production

Cape Coastal Honey partnered with the Endangered Wildlife Trust to help to protect honey badgers. Several years ago, a major customer introduced a "Badger Friendly" initiative to highlight the threat posed to honey badgers by beekeepers. Working with the customer and local farmers, we implemented solutions and beekeeping practices that safeguard apiaries from honey badgers. As a result, honey production no longer contributes to the endangerment of honey badgers. Since the start of this collaborative effort, the conservation status of honey badgers has improved from red endangered to non-endangered status.

Cape Coastal Honey also works with key suppliers to support the Trees for Bees project, which plants trees to offset carbon emissions related to honey production.



## Environmental, social and governance review continued



### Social

Libstar recognises that the Group's success is critically dependant on the skills, experience and conduct of our people.

### Human capital

Libstar recognises that the Group's success is critically dependant on the skills, experience and conduct of our employees. We believe that our greatest strength lies in our people. We are committed to attracting, developing and retaining talent and implement safety protocols to ensure the safety, health and well-being of our workforce.

Our approach to human capital aims to provide opportunities for employees to pursue individual personal growth, foster a positive and nurturing workplace, and create career progression opportunities. Skills development initiatives and career mapping empowers employees to develop the experience and qualifications necessary to progress their careers within the Group.

Our Talent Development and Succession Planning Programmes identify internal talent, with our current CEO, CFO and Executive Director appointed from within the Group.

Our remuneration practices promote diversity, employment equity and equality at all levels in the workforce to achieve fair and responsible remuneration within the complex and competitive environment in which the businesses operate. We continuously analyse our payment practices to assess whether equal work is rewarded with equal pay and to ensure that employees are remunerated fairly and responsibly.

This year, we focused on talent management, including identifying succession gaps, mission-critical roles, key individuals and high-potential talent. We also made further progress by aligning senior management's scorecards with the overall Libstar Group objectives. We additionally introduced HR workshops and connect sessions to share learnings between HR personnel across business units.





*Environmental, social and governance review continued*

## Engagement and the culture transformation journey

In May, we launched our 2024 People Survey as part of our efforts to create a workplace where our employees feel valued, supported and heard. The anonymous survey aimed to assess employee engagement levels, provide an opportunity for employees to express their input on key areas and to identify culture gaps to address in our culture plan.

The survey covered ten question constructs and indicated that 72% of employees are engaged or fully engaged. The top-rated questions related to strategic alignment and organisational environment, indicating that employees are strategically aligned to our business

objectives and know what is expected of them in their positions. The survey also highlighted that people feel they have the right equipment and tools needed to do their jobs well. Key areas of improvement were identified as recognition and praise, personal development and employee voice, which are areas of emphasis in the culture transformation journey initiative.

We launched the *One Libstar* High-Performance Programme later in May to embed the new forward-looking mindset across the Group and address improvement areas raised in the People Survey. This was followed by a leadership roadshow that visited most of the production facilities and warehouses in the Group to engage with employees, promote the Company culture and communicate and align employees with the Group vision and strategy.

The culture transformation journey introduced Libstar's Employee Promise:

- **Dignity and respect:** Our commitment is to cultivate an inclusive and diverse workplace where all employees feel valued, respected, and have equal opportunities for success.
- **Meaningful work and growth:** We believe in delivering purposeful work every day and providing our people with continuous opportunities for personal growth, career advancement and skills development.
- **A great place to work:** Our leadership creates a positive and safe environment for engagement and high performance, recognising effort and commitment. As *One Libstar*, we value every individual's sense of belonging and their overall contribution.



The **Libstar Strategy Map** is a visual tool communicating the Group's strategic plan and culture. It depicts the history of the Group, the challenges along the way, the way we do things and our vision for success.

## Environmental, social and governance review continued

112 Culture Champions were identified across the Group and provided with training to support the implementation of the Culture Themes introduced in the culture transformation journey in their teams.

As part of the culture initiative, we are introducing initiatives to recognise and celebrate our people that live our values (Star Achiever Awards), as well as a performance and potential process to improve employee feedback and drive career development plans. We are also enhancing our talent development framework. We plan to repeat the People Survey annually to monitor and drive the *One Libstar* culture and will roll out the new Libstar values in 2025.

As part of our focus on optimising our operating structure, certain businesses were rightsized, resulting in 57 retrenchments across the Group.

In the year ahead, our focus areas include completing the rollout of the culture journey by embedding our Employee Promise and increasing employee engagement, enhancing our talent management framework and implementing a Leadership Development Programme.

### HEALTH, SAFETY AND WELL-BEING

#### Commitments:

- Implement health and safety management systems across the Group and drive continuous improvement. ✓
- Continuous employee training ✓
- Roll out a Health and Safety Assurance Programme.

We value the health and safety of employees, suppliers and customers. Health and safety management systems at the businesses align with ISO 14 000 (Environmental) and ISO 45000, the international occupational health and safety management systems standard. Health and safety committees have been established in the businesses, as required by the Occupational Health and Safety Act, 1993. During the year, we conducted internal cross-business reviews of occupational health and safety, as required by the Act.

Business units provide health and safety training to employees at induction, during on-the-job training and through refresher training to ensure that they are aware of potential hazards and safe working practices. Equipment is tested regularly to ensure that it is working

correctly and safely. Safety measures and protocols are frequently updated, with safety guidelines shared across the Group. Health and safety policies are strictly enforced, with disciplinary action taken if these are not adhered to.

A Group health and safety internal audit was conducted during the year across 27 sites to assess our compliance and alignment with the Occupational Health and Safety Act, 1993.

Awareness initiatives embed safety routines and protocols through regular communication, signs and posters. Internal health and safety audits across the Group drive continuous improvement in safety practices and performance.

We track the disabling injury frequency rate (DIFR)<sup>1</sup> as an indicator of our safety performance and the DIFR is included in the Short-Term Incentive Programme. The most common injuries in our business are hand and arm injuries, which comprise half of disabling injuries.

The Group's DIFR improved to 1.1 in 2024 (2023: 1.5), below the Group target of 1.4. There were no fatalities reported during the period.

Libstar launched an Employee Wellness Programme (EWP) in May 2024 to foster an environment where employees can thrive professionally and personally. The programme offers professional resources providing mental health, physical health and trauma support, financial coaching and legal advice. Support is available to employees and their immediate family over the phone, online or in person.

### Training

The foundation of our success lies in the continued growth of our people. We aim to create a culture of continuous learning that drives innovation, engagement and performance to ensure we remain leaders in our industry.

Training programmes include internships, learnerships, integrated learning, informal training and mandatory compliance training.

Scope	2024	2023	2022
Bursaries	28	54	43
Internships	10	11	6
Learnerships and apprenticeships	436	465	439
<b>Total</b>	<b>474</b>	530	488

During the year, we launched a category management upskilling initiative through which 200 sales teams' members received training to equip them with the skills and knowledge to optimise product performance, meet consumer demands and create value across the supply chain. We also introduced the team to a new online learning programme and knowledge resource to promote continuous on-the-job training.

Amaro Foods provided a one-year Food and Beverage Handling learnership for ten unemployed youths. The learnership has a strong emphasis on practical training to equip participants with essential skills in food and beverage handling and empower them for long-term employment opportunities in the food industry.

The total investment in skills development in 2024 was R 38.5 million<sup>2</sup> (2023: R36.9 million). Skills development initiatives focus on business requirements and addressing the scarce and critical skills in the agriculture and food and beverage sector.

### DIVERSITY, INCLUSION AND EQUITY

#### Commitments:

- Measure employees' performance based on their contribution to the achievement of business goals and against behavioural expectations.
- Continue to:
  - » Integrate diversity and inclusion with the business strategy.
  - » Focus on increasing female representation in the workplace.
  - » Increase the representation and advancement of black talent.
  - » Continued focus on talent management for effective succession.
  - » Invest in mentoring and training programmes.

<sup>1</sup> A disabling injury is defined as one in which the employee is unable to work the following scheduled shift. It is calculated per 200 000 person-hours worked.

<sup>2</sup> Training investment includes salaries, stipends and other related expenditure during periods of training, recognised for B-BBEE verification purposes.



## Environmental, social and governance review continued

We recognise that fostering an inclusive and equitable environment is not just the right thing to do – it is essential to our success. Equality ensures that every team member can contribute fully and reach their potential.

Libstar promotes diversity and inclusion and strives to maintain workplaces where everyone feels empowered and valued and that are free from unfair discrimination or harassment based on race, sex, colour, nationality, religion, age, sexual orientation, gender, marital, family, HIV/AIDS status, disability or on any other arbitrary grounds.

As Champions for Good, our commitment to equality is evident in every aspect of our operations – from hiring and talent development initiatives, to our everyday interactions and decision-making processes.

At the end of 2024, 45% of Libstar's workforce was male and 55% female (2023: 46% male and 54% female). Women comprised 49% of management (2023: 48%).

Historically disadvantaged individuals (HDI) comprise 92% of the workforce in 2024 (2023: 91%) and 62% of management (2023: 58%).

### B-BBEE contributor status

**2024: Level 5**

**2023: Level 6**

**2022: Level 5**

**2021: Level 7**

Occupational levels	Male				Female				Total
	A	C	I	W/F	A	C	I	W/F	
Executive Directors	0	0	0	2	0	0	0	1	3
Other Executive Management	0	0	1	14	1	2	0	5	23
Senior management	6	8	1	35	3	6	2	38	99
Middle management	23	35	6	87	19	38	11	71	290
Junior management	163	116	10	86	122	143	13	105	758
Semi-skilled and unskilled	2 087	511	8	72	2 617	682	6	47	6 030
<b>Total</b>	<b>2 279</b>	<b>670</b>	<b>26</b>	<b>296</b>	<b>2 762</b>	<b>871</b>	<b>32</b>	<b>267</b>	<b>7 203</b>
Employees with disabilities <sup>^</sup>	37	1	2	1	43	3	1	1	89

<sup>^</sup> Included in the breakdown above

**A** - African **C** - Coloured **I** - Indian **W/F** - White/Foreign

HDI Non-Executive Directors comprise 25% of the Board at the end of 2024.

Current HDI representation <sup>1</sup>	2024	2023	2022
Executive management (excluding Directors)	17%	9%	9%
Senior management	26%	21%	22%
Middle management	46%	47%	44%
Junior management	75%	72%	69%

<sup>1</sup> Includes African, Coloured and Indian



## Environmental, social and governance review continued

### Transformation

Libstar is committed to promoting black economic empowerment and set a target to keep improving the Group's B-BBEE score. In 2024, the Group achieved 78.55 points and a B-BBEE contributor level of 5 (2023: Level 6). Going forward, our goal is to continue to improve the Group's B-BBEE score, with particular focus in 2025 on investigating options to improve our procurement score.

	2024	2023	2022
Ownership	11.2	9.5	10.3
Management control (including employment equity)	6.9	6.0	6.2
Skills development	15.4	15.5	15.7
Enterprise and supplier development	30.0	29.8	28.0
Socio-economic development	15.0	15.0	15.0
<b>Total</b>	<b>78.5</b>	<b>75.8</b>	<b>75.2</b>
B-BBEE level	5	6*	5

\* Ownership sub-minimum requirement not met, resulting in a discount of one B-BBEE level

Enterprise and supplier development initiatives at the businesses promote transformation and economic upliftment by expanding opportunities for black-owned and black women-owned businesses in our supply chain. Support provided to qualifying small businesses includes supply of products, accelerated payment periods, assistance with overhead costs, interest-free loans and professional services at reduced rates or for free.

#### Helping to sustain local beekeepers

Cape Coastal Honey sources honey from 115 local farmers and advocates for sustainable beekeeping practices. We conduct regular audits and provide support and training in beekeeping practices.

We are working with farmers to establish a market channel for less popular honey variants, redirecting them from industrial channels. This supports the sustainability of beekeeping in South Africa by enabling beekeepers to generate income from previously unsellable honey products. This approach not only improves resource use efficiency but also contributes to the overall economic viability of beekeeping. It helps to ensure all aspects of honey production contribute positively to the livelihoods of farmers and the sustainability of the environment.

### HUMAN RIGHTS

#### Commitments:

- Focus on effective human capital management to result in engaged, productive employees. ✓
- Develop and deliver basic human rights training for employees in line with the Human Rights Policy. ✓
- Assess options for influencing the supply chain with respect to human rights.

Libstar supports and respects the protection of human rights, as set out in the Constitution of South Africa and internationally recognised human rights standards. The Group does not participate, either directly or indirectly, in human rights abuses and does not tolerate discrimination of any kind. It does not support forced or child labour. Libstar provides fair working conditions and maintains a safe and healthy working environment.

In 2024, we provided training to 1 973 people on human rights and related topics (2023: 3 377).

Open communication is encouraged to resolve workplace issues between team members or between employees and management. Libstar respects the rights of employees to engage and bargain collectively on labour-related matters. At the end of 2024, 39% of the workforce was represented by a union (2023: 37%).





## Environmental, social and governance review continued

### FOOD SAFETY

#### Commitments:

- Continue to:
  - » implement food safety management protocols and processes. ✓
  - » audit compliance with food safety management protocols and processes. ✓
- Train employees and contractors. ✓

Food safety is of utmost priority and at the core of everything we do, in line with our commitment to be best-in-class. This means that we aim to protect people at every step of the supply chain from illness or injury due to the handling or consumption of our products.

We believe all employees are responsible for contributing to the success of Libstar's food safety protocols and 3 181 employees received training on food safety related topics in 2024 (2023: 3 402).

All food production facilities are certified in terms of FSSC 22000, the global food safety management standard. Non-food manufacturing units are certified in terms of ISO 9001, the global quality management standard. We also have Halal and Kosher certifications for processes and products that need to meet these religious and cultural requirements.

Routine verification assessments of on-site integrated management systems ensure ongoing compliance. There is a reporting

classification system for food safety incidents/compliance, with defined escalation to the central office where required.

The business units have food safety forum guidance procedures (including food safety culture and traceability) and we are standardising food safety audits across the Group to facilitate inter-company collaboration and consistency. Regular surveys evaluate food safety culture, cross auditing and laboratory testing service providers across the businesses.

### POSITIVE NUTRITION

#### Commitments:

- Define what positive nutrition means for Libstar as a Group.
- Consider Libstar's response, particularly in relation to its own brand portfolio, with respect to positive nutrition.
- Engage with customers regarding positive nutrition.
- Investigate consumer education related to positive nutrition.

As a food producer, Libstar has an important role in creating positive nutrition. Lancewood offers a range of products that support healthy eating, including lactose-free, sugar-free and high-fat products.

The business units are improving labelling of their products to assist consumers in tracking nutritional contents. We are working with customers to identify where we can reduce or eliminate unhealthy ingredients, such as excessive salt, sugar and unhealthy fats.

### SUSTAINABLE AND RESPONSIBLE SOURCING (SUPPLY CHAIN MANAGEMENT)

#### Commitments:

- Understand what sustainable and responsible sourcing means for the Group.
- Develop a responsible sourcing strategy.
- Investigate and support local suppliers wherever possible.
- Develop raw material traceability and supply chain map.

Our comprehensive Supply Chain Governance Programme guides all aspects of the supply chain, including procurement, product safety, quality management, occupational health and safety, environmental management, industrial relations and sustainability. We work closely with our customers to ensure that we use accredited suppliers and meet their sustainable and responsible sourcing requirements.

#### Organic certification for Cape Coastal Honey

Following successful completion of an organic audit of its syrup factory, Cape Coastal Honey received the prestigious Organic Certification (Ecocert). The team is now proudly organic-certified and able to produce Organic Canadian Maple Syrup. The business is in the process of extending this certification to its honey packing facility.

Ecocert Organic Certification entails a rigorous process that consists of an independent certification body assessing the entire supply chain, from raw material to end-product, and the conformity of the products, services and systems with specific environmental requirements.

#### Responsible sourcing at Amaro Foods

Amaro Foods sources all cocoa and cocoa-based ingredients from Rainforest Alliance certified manufacturers. All palm oil and palm-based ingredients are sourced from Roundtable on Sustainable Palm Oil (RSPO) certified manufacturers.



## Environmental, social and governance review continued

### COMMUNITY ENGAGEMENT

#### Commitments:

- Develop a standardised approach to communities and socio-economic development.
- Develop a Group-wide Community Upliftment Programme which will coordinate community contributions and measure impact.
- Monitor and evaluate social investment initiatives.
- Define and measure.

#### Our CSI initiatives align with the following UN Sustainable Development Goals:



Libstar's corporate social investment (CSI) policy informs our social investments to improve the communities in which we operate. The policy promotes investment to address local, national and societal needs with a focus on socio-economic upliftment to benefit underprivileged communities.

The business units identify relevant community initiatives within Libstar's focus areas:

- food sustainability, food security and healthy nutrition, including the subsidisation of food products.
- community upliftment, education, skills development and poverty relief.

In 2024, the Group invested R24.2 million in socio-economic development (2023: R16.1 million).

Initiatives supported during the year included:

- Libstar Central delivered Christmas gifts including toys, books and clothing to the children at Dunoon Ubunye Educare Centre, which provides quality early childhood education, paediatric health checks and nutrition for 120 children aged 5 to 6 from Dunoon Township.
- The Finlar Fine Foods team donated toys, nappies, baby formula and food products to the Lighthouse Baby Shelter in Johannesburg, as well as a R10 000 donation. The Lighthouse Baby Shelter takes care of unwanted, abandoned and abused babies from birth to six years and has helped 170 children.
- Rialto donated to Greenpop for Arbor Month. Greenpop focuses on forest restoration across Sub-Saharan Africa and since inception has planted over 250 000 trees and is currently working to restore indigenous forests in the Overberg district, Western Cape.
- Lancewood partnered with Spur's Full Tummy Fund to pack 10 000 nutritious meals that were distributed to Early Childhood Development Centres across the country. Lancewood also donated products to Where Rainbows meet, a programme devoted to community and business development.
- Cape Herb & Spice supports Westlake Primary School by funding a teacher's annual salary to help reduce the learner to student ratio. The business also donated toothbrushes and toothpaste for 800 pupils from Grade R to Grade 7 on Mandela Day and collected soaps, socks and other essential items for the learners which were delivered to the school in August.
- On Mandela Day (18 July), Libstar employees took time to decorate schoolbook covers to be donated to school learners in underprivileged communities. Each book featured a heartfelt message of love and hope to inspire positivity and happiness in the hearts of young readers.
- Retailer Brands partnered with UCC Missions and Montagu Foods to set up feeding stations at a local church and an old age home where over 300 parcels of soup and bread were distributed by the team. Retailer Brands employees also donated clothes to be distributed to those in need.





## Environmental, social and governance review continued

- Rialto donated R20 000 to the Haven Night Shelter in Kensington, Cape Town, funding 80 adults with a one-week stay at the shelter, including three meals, a tea-time and a snack each day. The donation also covered dignity and snack packs for people at the shelter, including essential items like washing powder and toilet paper.
- The Denny Mushrooms team collected 117 empty coffee jars, which they filled with soup ingredients for the “soup-in-the-jar” project. On Mandela Day, the team delivered jars to Tygervalley Shopping Centre for the Radio Tygerberg “Honouring Madiba” outreach and to soup kitchens in the Phesantekraal community.
- Montagu Foods donated rugby jerseys to Montagu High School’s under-14 rugby team to promote youth development, teamwork and healthy lifestyles. Montagu also supported the Montagu Cares initiative by distributing boerewors rolls to underprivileged children in the community.
- Millennium Foods donates food to the Salvation Army, which helps to feed individuals in need. On Mandela Day, the team packed 390 Miracle Meal Packs for Little Lambs. Each pack contains rice and lentils to provide a nutritious meal for a family of six.
- Rialto engaged other business units to contribute to the feeding programme at Brentwood Park Laerskool in Benoni. The feeding scheme at the school supports pupils in need and families struggling to put food on the table. Rialto, Denny Mushrooms, Cani and Montagu Foods made donations to the scheme and included a one-page brain teaser as a fun activity for the children to enjoy.
- Amaro Foods runs a five-day community baking skills programme for unemployed youth from communities such as Langa, Dunoon and Joe Slovo, equipping them with the knowledge and expertise to pursue careers in the baking industry. Nine people have completed the programme to date, with some securing permanent employment as general workers at Amaro Foods. Amaro Foods’ Managing Executive runs monthly baking skills training at Chipkins Puratos Baking School, a non-profit company that provides quality education to young people, especially those from disadvantaged backgrounds, in the bakery, patisserie and chocolate sectors.
- Cani donated 1 680 packets of rusks to Ladles of Love for Mandela Day and collaborated with Rialto to support vulnerable children through Ratang Bana, a community-based non-profit organisation.
- Libstar Group donated R35 000 towards the 14th Annual Soweto Career Day & Expo to fund transport to and from the event and a meal for Grade 12 learners in need from ten high schools.



## Environmental, social and governance review continued



### Governance

The goal of the Anti-bribery and Corruption Policy is to protect the Group, our employees and Directors from involvement in bribery and corruption.

### ANTI-BRIBERY AND CORRUPTION

#### Commitments:

- Train employees on anti-bribery and corruption policies and applicable procedures.

The goal of the Anti-bribery and Corruption Policy is to protect the Group, our employees and Directors from involvement in bribery and corruption. It aims to ensure that employees understand the importance of the principles in the Code of Ethics and the Group's commitment to combat bribery and corruption.

In 2024, Libstar changed its whistle blowing hotline service provider following notification of a conflict of interest by the previous service provider. An awareness campaign regarding the change in service provider and matters that should be reported was rolled out throughout the business.

Libstar received 12 complaints that required further investigation through the Ethics Hotline in 2024 (2023: 19). These were investigated and action taken, where required. Most of the complaints related to HR matters, which were addressed through internal HR processes.

Incident category	Sub-category	Closed	Open	Total
Governance/ Business Integrity	Unfair business practices	4	–	4
Health and Safety	Substance abuse	1	–	1
Human Resources	Unfair labour practices	6	–	6
<b>Total</b>		<b>11</b>	<b>–</b>	<b>11</b>

### DATA AND IT SECURITY

#### Commitments:

- Develop and implement policies, governance structures and processes that are effective at reducing the occurrence and impact of cyber threats.

The Board recognises the importance of ICT governance and management to Libstar's success. Cyber security and ICT governance in the Group is monitored by the Audit and Risk Committee and reported on quarterly at the meetings of the Committee. The ICT Steering Committee supports and reports to the Audit and Risk Committee regarding ICT.

During the year, we conducted a review of ICT governance against the ICT recommendations of King IV to identify areas for improvement.

We implement and continually evolve cyber security controls to ensure the safety of our environment. Vulnerability management, intrusion detection and prevention and disaster recovery are in place. Information assets and enterprise resource planning systems are protected as part of the disaster recovery plan. Disaster recovery testing is conducted bi-annually to test the recovery service of critical business systems. The annual internal and external simulated cyber attacks test and verify cyber security controls, and identify areas of improvement.



## Environmental, social and governance review continued

### Celebrating Excellence as *One Libstar*

Early in February 2025, Libstar came together to celebrate outstanding achievements from 2024 at the second annual Leadership Awards Dinner.

The awards offer a unique opportunity to highlight the incredible impact our teams across the Group are making as they shape the future of our business. It was an inspiring evening, where leadership representatives from our various business units attended as we honoured exceptional performance, collaboration and the collective spirit that defines us. Above all, the evening was a powerful reminder of the strength and potential we have as *One Libstar*.



#### Excellence Award: *Category and Channel Growth*



##### **Millennium Foods**

*Katrina Sommerville*

This award celebrates exceptional growth of Libstar's existing categories or channels, or the outstanding performance in delivering growth of a new or alternative category or channel.

It recognises a person and team that have demonstrated extraordinary strategic vision, innovative approaches, and impactful execution in driving growth and penetration in a chosen category or channel.



Katrina Sommerville

#### Excellence Award: *Impactful Change*



##### **Cape Foods**

*Gerhard Martin*

This award recognises outstanding achievement in driving transformative change and delivering exceptional outcomes in the areas of operational efficiency, procurement, and innovation. It celebrates exceptional leadership, creativity, and resilience in driving meaningful, positive change and creating sustainable value.

Recipients of this award have distinguished themselves by implementing strategic initiatives that have resulted in significant improvements.



Gerhard Martin

## Environmental, social and governance review continued

### Excellence Award: Leadership



#### **Simone Jordaan**

*Retailer Brands*

This award honours an individual who exemplifies exceptional leadership qualities and has made a significant contribution to our organisation's success through their holistic approach to problem-solving, mentorship, communication, culture building, and the promotion of organisational values and behaviours.

It recognises leaders who inspire and empower others, foster a culture of collaboration and innovation, and drive positive change throughout the business.



Simone Jordaan

### Excellence Award: One Libstar



#### **Paul Jibson**

*Cape Herb & Spice - Exports Team*

This award celebrates the outstanding achievements resulting from cross-functional teamwork within the Group. It recognises the collective efforts of teams that have seamlessly collaborated across business units and functions to overcome challenges, capitalise on opportunities and deliver exceptional outcomes that positively impact Libstar as a whole.

Recipients of this award have demonstrated a remarkable ability to break down silos, foster group effort, and leverage the diverse talents, expertise, and perspectives of team members.



Paul Jibson

### Excellence Award: North Star Award



#### **Ingrid Uys**

*Wet Condiments*

This award represents the pinnacle of recognition for exceptional all-round performance.

The prestigious honour embodies the collective aspirations, values, and achievements of the Group, serving as a beacon of inspiration and excellence that guides our journey towards our North Star.

Recipients of this award exemplify unparalleled leadership, vision, and dedication in spearheading a transformative strategic initiative that aligns with Libstar's overarching mission and long-term objectives. Their initiative serves as a guiding light, illuminating the path forward and inspiring others to reach new heights of innovation, collaboration, and performance.



Ingrid Uys



# Governance *review*

89  
101

Governance and Board Committees  
King Report on Corporate  
Governance for South Africa 2016  
(King IV)





# Governance and Board *Committees*

The Board endorses the King Report on Corporate Governance for South Africa 2016 (King IV). It recognises the importance of conducting its business with integrity and in accordance with accepted governance practices.

The Board oversees the Company's compliance with its legal obligations specified in its Memorandum of Incorporation (MOI), the Companies Act and the JSE Listings Requirements.

The Board is satisfied that during the year under review, the Company has complied with its MOI, the Companies Act, and the recommendations of King IV in all material respects.

The Board is constituted in terms of its Terms of Reference. This guides the role and responsibilities of the Chairman, the Lead Independent Director and the functioning of the Board.

## 2025 focus areas

- Overseeing the progress of the implementation of the strategy.
- Unlocking stakeholder value.
- Continued monitoring of risks and their impact on the business.

## Delivery on 2024 focus areas

Oversee the rollout of the enhanced strategy, which includes:

- Simplification of the portfolio.
- Simplification of the operating model through consolidation.
- Growing export opportunities.
- Improving yields and return on invested capital (ROIC) in the medium term.
- Aligning operational and manufacturing opportunities.



## How we responded

The Board held a strategy session in June 2024 to evaluate the strategy's progress. The Board continued to oversee the phased rollout of the strategy, which included the following:

- The sale of Chet Chemicals.
- The closure of Chamonix Spring Water.
- Integration of the Khoisan Gourmet business unit into Cape Herb & Spice.
- Segmentation/simplification of the operating model and rollout of the Perishable Products strategy.
- Evaluation of opportunities to unlock stakeholder value.
- Monitoring of ROIC.

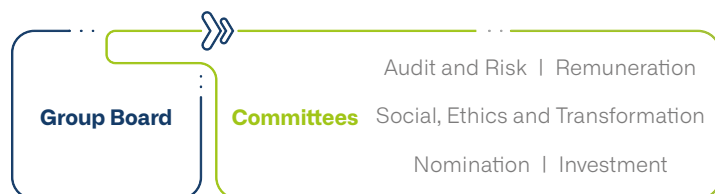




## Governance and Board Committees continued

### Governance structure

The Board has five Committees in place to assist it in executing its duties and responsibilities.



### The Board

The Board comprises eight Directors. Five are Non-Executive Directors and three are Executive Directors. All Non-Executive Directors, including the Chairman, are classified as independent in terms of King IV and the JSE Listings Requirements.

The Board is satisfied that it has the appropriate balance of knowledge, skills, experience, diversity and independence. Due regard is given to diversity regarding Libstar's transformation initiatives, specifically gender and race.

Wendy Luhabe (Chairman)	Non-Executive Independent Director
JP Landman (Lead Independent Director)	Non-Executive Independent Director
Anneke Andrews	Non-Executive Independent Director
Sandeep Khanna	Non-Executive Independent Director
Sibongile Masinga	Non-Executive Independent Director
Charl de Villiers	Chief Executive Officer
Terri Ladbrooke	Chief Financial Officer
Cornél Lodewyks	Executive Director

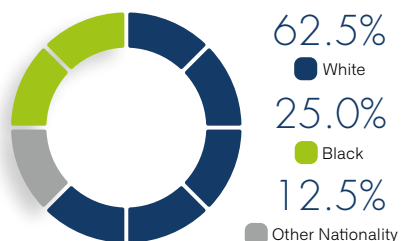
### Diversity

The Group has a Board Diversity Policy to guide requirements for diversity, gender, culture, age, field of knowledge, skills and experience. A voluntary target of 30% female representation was set at Board level. This was achieved with 50% female representation. The Board reviewed the policy and considered whether other diversity targets should be set. A 30% target was set for race representation over the next three years..

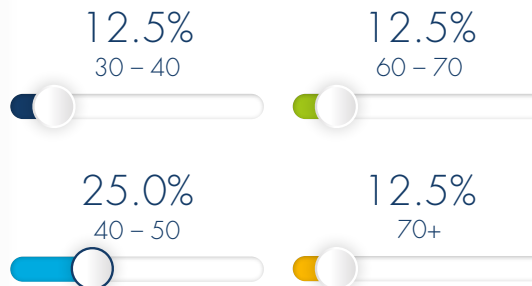
#### Board members



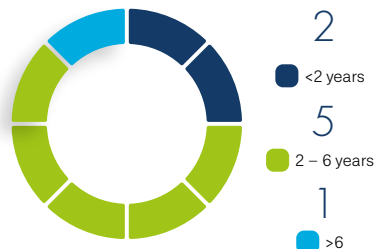
#### Race



#### Age



#### Tenure



#### Gender



## Governance and Board Committees continued

### Changes to the Board

On 26 September 2024, a SENS was released informing shareholders that the Chairman, Ms Wendy Luhabe, had informed the Company that, following an evaluation of her Board commitments, she would not be available for re-election at the next Annual General Meeting (AGM).

A further SENS was released on 24 November 2024, informing shareholders that Mr JP Landman, the current Lead Independent Non-Executive Director, has been appointed as Company Chairman with effect from the conclusion of the 2025 AGM.

The Nomination Committee evaluated the composition of the Board. It recommended the search of an additional Board member/s and commenced the search process.

On 20 March 2025, Mr Tertius Carstens was appointed as an Independent Non-Executive Director with effect from 1 May 2025.

### Chairman

The Chairman is Wendy Luhabe. The primary role of the Chairman is to manage and provide leadership to the Board. She liaises between the Board and management through the Chief Executive Officer (CEO). The Chairman's role is to:

- Ensure the effective functioning of the Board.
- Act as a liaison between the Board and management through the CEO.
- Provide independent advice and counsel to the CEO.
- Confirm that sufficient information is provided to enable the Directors to formulate appropriate judgements and make informed decisions.
- Develop and set agendas for meetings of the Board, in conjunction with the Company Secretary.
- Attend other Committees of the Board, where appropriate, and as determined by the Board.
- Call special meetings of the Board, where appropriate.

### The Lead Independent Non-Executive Director

The Lead Independent Non-Executive Director (LID) is JP Landman. His responsibilities are to:

- Lead in the absence of the Board Chairman.
- Serve as a sounding Board to the Chairman.
- Act as an intermediary between the Chairman and other Board members, when required.
- Address shareholders' concerns where contact through normal channels has failed to resolve concerns, or where such contact is inappropriate.
- Chair discussions and decision-making by the Board on matters where the Board Chairman has a conflict of interest.
- Lead the performance appraisal of the Board Chairman.
- Lead the Board's evaluation of the CEO.

The role and responsibilities of the LID were reviewed during the year. No amendments were recommended.

### Board responsibilities

The primary responsibilities of the Board include:

- Approving the strategic direction of the Group.
- Approving and reviewing budgets, business plans and policies.
- Overseeing the:
  - » management of ethics and risk.
  - » efficiency of the Board Committees.
  - » Executive Management's implementation of Company strategy.
- Overseeing compliance with applicable laws, regulations and codes of business practice.
- Ensuring the integrity of the Company's Integrated Annual Report, Annual Financial Statements and Interim Report.

The Board takes overall responsibility for the achievement of the Group's strategic objectives.

There is a clear division of responsibility at Board level that creates a balance of power and prevents any individual from having unfettered powers of decision-making. The Executive Directors and senior management team are responsible for the day-to-day management of the Company's operations. The Board and Executive Management are supported by senior management teams in each business unit.

The Board ensures the integrity of its financial reporting and risk management, with timely and transparent disclosure to stakeholders.

The Board has a framework in place for the delegation of authority to management and its Committees. It remains cognisant that delegating authority to Committees or management does not in any way discharge its accountability.

The Board's Terms of Reference require a minimum of four scheduled meetings per financial year. The Board held five scheduled meetings, excluding *ad hoc* meetings held to consider special business. The Board's annual strategy session was held in June of 2024.

### Appointment and rotation of Directors

Directors are not appointed for an indefinite period. At each AGM, at least one third, or the closest number to a third, of the Non-Executive Directors retire by rotation from office and are eligible for re-election. The Non-Executive Directors due to retire are those who have been in office the longest since their last re-election.

The appointment of Directors by the Board during the year is subject to confirmation by shareholders at the first AGM following their appointment.

The Board fills Board vacancies on recommendation from the Nomination Committee. This Committee scrutinises and identifies suitable candidates.

### Conflicts of interest

The Group is committed to the highest standards of ethical business conduct. A Conflicts of Interest Policy and Code of Ethics and Conduct are in place. These apply to all Directors and employees. Disclosure of interests is a standard agenda item at all Board and Committee meetings. Directors annually declare their financial interests and disclose their directorships.



## Governance and Board Committees continued

### Dealing in securities

Libstar has a formal policy on dealing in securities. This prohibits dealing in securities by Directors, officers and any employee who may have inside information for a specific period preceding the announcement of the Group's interim and final results or in any other relevant period, as confirmed in the JSE Listing Requirements. A closed financial period commences at the half-year and year-end periods and ends upon publication of the results on SENS. The Insider Trading Policy is circulated before a closed period to remind the affected persons. Before dealing in Libstar shares, Directors must obtain prior written clearance to transact in line with the Group's Dealing in Securities and Insider Trading Policy.

### Board evaluation

The Board, through its Nomination Committee, conducted an internal assessment of its performance and that of its Committees for the year under review. The assessment comprised a questionnaire which covered the following areas:

- Board role and agenda setting.
- Board meetings.
- Board accountability and good governance.
- Directors' compensation.
- Board Committees.
- Chairman.
- CEO.
- Individual Directors.
- Company Secretary.

The evaluation confirmed that members of the Board are satisfied with the functioning of the Board and its Committees. Further to that the members were satisfied with how the Chairman, CEO and Company Secretary are carrying out their duties and there were no concerns raised with individual Directors. There were no noteworthy areas of improvement.

All Non-Executive Directors conducted an independent self-evaluation that the Nomination Committee considered. The Nomination Committee made a recommendation to the Board on the independence of Sandeep Khanna, who has reached a tenure of 10 years. The Board considered Mr Khanna's self-evaluation of his independence and his contribution to the Board. The Board is satisfied that he remains independent. It will continue to evaluate his independence annually in accordance with the requirements of King IV.

### Company Secretary

The role of Company Secretary is performed by Ntokozo Makomba. She is responsible for ensuring that sound governance practices are implemented and maintained.

The Board evaluated the performance and independence of the Company Secretary and is satisfied with her competence, qualifications and experience.

#### Meeting attendance 1 January 2024 – 31 December 2024

	Board	Audit and Risk Committee	Remuneration Committee	Nomination Committee	Social, Ethics and Transformation Committee	Investment Committee
Number of meetings	5	4	3	3	4	1
<b>Non-Executive Directors</b>						
Wendy Luhabe	5*	4^	3	3	4	1^
Anneke Andrews	5	4*	1^	–	–	1
Sandeep Khanna	5	4	3*	3	–	1
JP Landman	5	4	3	3*	–	1*
Sibongile Masinga	5	3**	1^	–	4*	–
<b>Executive Directors</b>						
Charl de Villiers	5	4^	3^	3^	4^	1
Terri Ladbroke	5	4^	3^	3^	4	1
Cornél Lodewyks	5	4^	3^	3^	4^	1*

\* Chairman

^ Invitee

\*\* Apologies were received

### Ad hoc meetings

The Board and Committees set up *ad hoc* meetings when required.

- Four additional Board meetings were held during the year to discuss strategic developments.
- One additional Audit and Risk Committee meeting was held during the year to discuss impairments.
- Five Investment Committee meetings were held to consider strategic opportunities.

### Board Committees

The Board delegates duties and responsibilities to various Committees (as set out in the governance structure). Committee meetings are attended by the CEO and CFO, the Executive Director, the HR executive, the external auditor and other members of management, as appropriate. Directors who are not members of the Committees may attend the Committee meetings but may not vote on the matters tabled.

The Committees operate under their Terms of Reference. These are reviewed annually. There is full and transparent feedback from the Committees to the Board through verbal feedback and minutes.

The composition of the Committees is reviewed annually. The Board is satisfied that the Committees have the appropriate mix of skills, knowledge and experience.

## Governance and Board Committees continued

### Audit and Risk Committee

#### Composition and role

The Audit and Risk Committee comprises four Independent Non-Executive Directors.

Anneke Andrews (Chairman)

Sandeep Khanna  
JP Landman  
Sibongile Masinga

The Audit and Risk Committee is responsible for decisions regarding the Committee's statutory duties. The Board delegates certain responsibilities to the Committee, as set out in the Committee's Terms of Reference. The Committee assists the Board in discharging its duties relating to the safeguarding of assets, the operation of adequate financial systems, financial risk management and controls, the review of financial information, and the oversight of external reports.

In addition to its advisory role, the Audit and Risk Committee has statutory duties set out in the Companies Act. Its Terms of Reference are aligned to King IV's recommended practices. The Audit and Risk Committee is responsible for reviewing the financial statements and recommending them to the Board for approval. It is also responsible for confirming the expertise of the Chief Financial Officer (CFO).

### Delivery on focus areas

The table below provides updates on our delivery on the focus areas we outlined in last year's report.

Focus area	Progress
Proactive and ongoing oversight of key risks.	<p>» The Board prioritises considering key risks, appropriate mitigating controls and opportunities.</p> <p>The Committee reviewed the Group Risk Register every quarter.</p> <p>The Business Unit Risk Registers were reviewed as part of the annual review. The Business Unit Risk Registers were modified to align to the risks in the Group Risk Register.</p>
Oversee the transition of EY as auditors for the 2024 financial year.	<p>» The Committee oversaw EY's shadowing of Moore Inc. during their final audit and the subsequent transition to the Company's auditors.</p>
Consider the ICT strategy and continue to evaluate proactive measures to ensure robust cyber security systems.	<p>» The Committee reviewed the ICT environment and how it links to the Group strategy.</p> <p>Following a third-party audit of specific IT systems and processes, the Committee is monitoring the remediation implementation for critical and high-risk findings.</p>
Monitor integration following the operational structure changes from a risk and internal controls perspective.	<p>» The Committee monitored risks and internal controls related to the integration of Khoisan Gourmet into Cape Herb &amp; Spice, as well as the impact of various operational structure changes, including the formation of two new super-categories, with back-office structures intended to be aligned accordingly.</p>

Other actions taken include:

### Finance matters

- Reviewed and recommended the 2024 Annual Financial Statements, the final dividend declaration, and the interim results for the six months to 30 June 2024, for approval by the Board.
- Reviewed financial and other information included in the Integrated Annual Report for approval by the Board.
- Considered the quarterly CFO reports, management accounts, forecasts and other relevant matters presented.
- Confirmed the appropriateness of the going concern assumption as the basis of preparation of the Annual Financial Statements.

- Considered the following key areas:
  - » Annual impairment testing of intangible assets (including goodwill, brands and customer relationships).
  - » Measurement of the fair values of share-based payments.
  - » Useful lives of intangible assets and property, plant and equipment.
  - » Valuation of biological assets.
  - » Impairment of financial assets.
  - » Restatement of the results attributable to reclassifications identified during a general ledger analysis and compliance review over IAS 7. Focus was also placed on the circumstances that led to the restatement and measures implemented to prevent the reoccurrence thereof.



## Governance and Board Committees continued

- Considered adjusted and unadjusted audit differences.
- Considered major capital allocations to, and returns on, value and efficiency-enhancing projects.
- Reviewed and assessed the expertise, experience and performance of the CFO and Finance function.
- Reviewed and considered the Group's tax update reports.
- Reviewed the proposed budget for the 2025 financial year and recommended its approval to the Board.

### External audit

The Committee reviewed the independence, expertise and objectivity of the external auditor, Ernst & Young Inc. and the designated audit partner, Tina Lesley Rookledge, as well as approved the terms of engagement and audit fees for the 2024 financial year.

The Committee reviewed the representation made by the external auditor and satisfied itself that the external auditor is independent of the Group, as set out in section 94(8) of the Companies Act, and complies with the JSE Limited Listings Requirements.

The Committee has executed its responsibilities, conducting the required assessments in terms of section 3.84(g) of the Listings Requirements and is satisfied with the suitability of the audit firm and audit partner.

There is a formal policy governing the approval of non-audit services provided by the appointed external auditor. The Committee noted there were no non-audit services provided by the external auditor during the 2024 financial year. Refer to Note 3 of the consolidated Annual Financial Statements for the breakdown of the audit fees and fees for the rendering of non-audit services in the 2023 financial year.

In the prior year, pursuant to the mandatory audit firm rotation requirements of the Independent Regulatory Board for Auditors, the Committee recommended the appointment of Ernst & Young Inc. as external auditor for the 2024 financial year which was presented and approved at the Annual General Meeting of the Group held on 1 June 2023. The setting aside of the Mandatory Audit Firm Rotation by the Supreme Court of Appeal on 31 May 2023, did not impact the change in the external auditor. At the Annual General Meeting of the Group held on 31 May 2024, Tina Lesley Rookledge was appointed as the audit partner for the 2024 financial year.

Held private sessions with the external auditors and management. Internal control deficiencies highlighted by the external auditors will be subject to remediation by management.

### Combined assurance

The Committee is responsible for reviewing the effectiveness of systems for internal control, financial reporting and risk management, and for considering the findings of any major internal investigations, fraud or misconduct, and management's response thereto.

The Committee delegates the responsibility to management to continuously identify, assess, mitigate and manage risks within the business. Mitigating controls are formulated to address the risks. The Committee is kept abreast of progress on the Group's risk management plan.

During the year under review, the Committee considered control issues identified from the various reports reviewed by the Committee. These reports included internal and external audit reports, as well as specific reports on the Group's IT environment.

Where deficient controls or matters were raised, the Committee reviewed the remediation plans prepared by management and was satisfied that any material impact on the Group's Annual Financial Statements had been appropriately mitigated by management through manual controls and increased oversight, where necessary. The Committee will continue to monitor and evaluate management's remediation plans during 2025.

Having considered, analysed, reviewed and discussed information provided by management, internal audit and the external auditors, the Committee is of the opinion that the internal controls of the Group, together with management's additional procedures performed to mitigate identified control deficiencies, can be relied upon as a reasonable basis for the preparation of the Annual Financial Statements.

### Internal audit

The Internal Audit Charter defines the role and associated responsibilities and authority of internal audit.

The purpose of the internal audit function is to strengthen the Group's ability to create, protect, and sustain value by providing the Audit and Risk Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The Committee evaluated the internal audit function and was satisfied that the internal audit is functioning well.

- Reviewed and approved the internal audit plan and monitored its execution.
- Considered quarterly reports from internal audit, the internal control environment and the status of remedial actions implemented.

### Assurance framework

Libstar operates a combined assurance framework. This coordinates management actions and those of internal and external assurance providers.

#### Lines of defence

- 1 Management
- 2 Internal and external audits
- 3 External assurance providers
- 4 Oversight bodies (the Board and sub-committees)



## Governance and Board Committees continued

### Risk management

- Considered quarterly risk management reports and reviewed the risk registers for the Group and individual business units.
- Considered the Insurance Renewal Programme.
- Considered current and potential litigation matters.
- Considered feedback received from calls to the anonymous Ethics Hotline, and conclusions reached by the Social, Ethics and Transformation Committee from a risk perspective.

### Information and Communication Technology (ICT)

- Considered quarterly ICT reports from a risk and optimal business contribution perspective, including disaster recovery plans and improved business intelligence information.
- Reviewed the ICT environment and reviewed a third-party audit of specific ICT systems and processes.
- Monitored the progress in implementing the recommendations from the third-party ICT audit.
- Considered the Group's approach and further actions taken in relation to cyber security, strategy and controls.

### Disaster recovery

- The Group manages operational disaster recovery across all business areas, leveraging multiple third-party software systems to support this process. The Group's disaster recovery plans are tested every six months.

### Governance

- Considered compliance with the principles of King IV.
- Considered changes to the JSE Listings Requirements.
- Reviewed and updated the Committee's Work Plan for the year ahead.
- Reviewed quarterly reporting on compliance with loan covenants and hedging policies.
- Reviewed the Non-Audit Services Policy.
- Reviewed reporting on compliance with legislation. This included compliance with the financial assistance requirements of the Companies Act.
- Reviewed and updated the Committee's Terms of Reference.

### Looking ahead

- Oversee the proactive and ongoing oversight of key risks and opportunities.
- Monitor integration following the operational structure changes from a risk and internal controls perspective.
- Monitor the strengthening of the internal control environment.
- Consider the independent external review on the ICT environment.
- Monitor the implementation of a framework for compliance at a Group level.
- Continue to focus on the core activities of the Committee, as set out in the Terms of Reference.





## Governance and Board Committees continued

### Remuneration Committee

#### Composition and role

The Committee comprises three Independent Non-Executive Directors.

Sandeep Khanna (Chairman)

JP Landman  
Wendy Luhabe

Libstar's remuneration mandate is to contribute to the long-term financial and commercial viability of the Group by reviewing and maintaining compensation policies and plans.

The Remuneration Committee oversees that the Company's remuneration policies attract and retain employees, managers and Executive Directors and recommends appropriate remuneration levels for Non-Executive Directors for approval by the shareholders.

The Committee assists the Board in consistently applying the Remuneration Policy throughout the Group, ensuring that Directors and executives are fairly and responsibly remunerated and that the disclosure of the remuneration of Directors and prescribed officers is accurate, complete and transparent.

The Remuneration Committee reviews the Remuneration Policy annually. The Remuneration Policy and related implementation report are tabled at the AGM for separate non-binding advisory votes by shareholders.

### Delivery on focus areas

The table below provides updates on our delivery of the focus areas we outlined in last year's report.

Focus area	Progress
Continue to monitor the alignment of shareholder interests with those of management.	» The Committee reviewed Libstar's approach to remuneration and was satisfied that it is fair, equitable, transparent, market-related and considers both the strategic priorities and performance of the Group.
Review and approve the compensation of Executive Directors and senior executives based on a benchmarking exercise.	» The Committee reviewed the remuneration mix of Executive Directors and senior executives as part of its consideration of annual salary increases.
Recommend Non-Executive Directors' fees for shareholder approval.	» The Committee reviewed the fees paid to Non-Executive Directors, considering the individual's responsibilities, Board Committee membership, and market benchmarks.
Review incentive programmes to ensure continued alignment to enhance shareholder value and approve the award of share incentives.	» The Committee considered and made awards in accordance with the rules of the incentive programmes.

### Looking ahead

- Track management's performance against KPIs.
- Continue to focus on the core activities of the Committee, as set out in the Terms of Reference.

## Governance and Board Committees continued

### Nomination Committee

#### Composition and role

The Committee comprises three Independent Non-Executive Directors.

JP Landman (Chairman)

Sandeep Khanna

Wendy Luhabe

The mandate of the Committee is to review the Board structure, size and composition regularly and to make recommendations to the Board regarding any changes that are deemed necessary. The Committee assists the Board to oversee:

- The appropriate composition of the Board to execute its duties.
- Succession planning in respect of Board members and senior management.
- The basis for the re-election of Board members.
- The process for nominating, electing and appointing Board members.
- The evaluation of the performance of the Board and its Committees.
- The induction and ongoing training and development of Board members.
- The refinement of CEO key performance indicators.

### Delivery on focus areas

The table below provides updates on our delivery of the focus areas we outlined in last year's report.

Focus area	Progress
Talent management.	<p>The Committee reviewed the measures in place for talent management.</p> <p>The Committee oversaw the implementation of the Executive Director's scorecards in line with the key value-driving initiatives.</p>
Board training and development.	<p>The Board attended training by the Institute of Directors: South Africa titled ESG Overview for Directors Part 1: Shifting Landscapes and Responses, which was aimed at broadening the understanding of the role of the Board in ESG oversight.</p>
Board composition and succession planning.	<p>The Committee considered the composition of the Board and its Committees, noting that the Board could benefit from additional expertise such as FMCG and ICT and also transitioning additional Board members when taking into account the age and tenure of the current Directors.</p> <p>Following notice from the Chairman, Ms Wendy Luhabe, that she would not be available for re-election at the 2025 AGM, the Nomination Committee reviewed the suitability of the composition of the Board to ensure that the Board collectively has the necessary skills and expertise to continue to operate efficiently and that its composition supports the Company's strategic objectives. The Committee commenced with the search process to supplement the composition of the Board. Mr Tertius Carstens was subsequently appointed with effect from 1 May 2025.</p> <p>The Committee kept abreast of developments relating to the Amendments to the Companies Act, noting the requirement for the election of the members of the Social and Ethics Committee at the AGM and the two strike rule against the Remuneration Committee where shareholders vote against the Remuneration Policy and implementation report for two consecutive years. The Committee notes the partial implementation of the Companies Amendment Act 16 of 2024.</p> <p>The Committee considered Sandeep Khanna's ten-year tenure as a Director. The Committee is satisfied that he remains independent and recommended his reappointment to the Board.</p>

### Looking ahead

- Consider developments in the full implementation of the Companies Amendment Act 16 of 2024, impacting the election of Directors.
- Integration of additional Directors into the Board.
- Continue to focus on the core activities of the Committee, as set out in the Terms of Reference.



## Governance and Board Committees continued

### Social, Ethics and Transformation Committee

#### Composition and role

The Committee comprises two Independent Non-Executive Directors and one Executive Director.

Sibongile Masinga (Chairman)	<i>Non-Executive Independent Director</i>
Wendy Luhabe	<i>Non-Executive Independent Director</i>
Terri Ladbrooke	<i>CFO</i>

The mandate of the Committee is outlined in the Companies Act. The Committee assists the Board in monitoring the Group's activities relating to corporate citizenship, organisational ethics, sustainability (ESG) and stakeholder engagement. In addition to performing the duties required in relation to Regulation 43 of the Companies Act, the Committee assists the Board with monitoring and reporting on social, ethics and transformation practices consistent with responsible corporate citizenship.

The Committee's responsibilities include monitoring the Company's activities in the context of relevant legislation, other legal requirements and prevailing codes of best practice in respect of:

- Social and economic development, including the Company's standing in terms of the goals and purposes of:
  - » The ten principles set out in the United Global Compact Principles.
  - » The OECD recommendations regarding corruption.
  - » The Employment Equity Act.
  - » The Broad-Based Black Economic Empowerment Act.
- Good corporate citizenship, including the Company's:
  - » Promotion of equality, prevention of unfair discrimination, and reduction of corruption, including transformation policies and strategies, and social responsibility policies and strategies.

- » Contribution to the development of the communities in which its activities are conducted or within which its products or services are marketed.
- » Recording of sponsorship, donations and charitable giving.
- The environment, health and public safety, including the impact of the Company's activities and its products or services.
- Consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws.
- Overseeing the Company's ethical standards.
- Labour and employment, including:
  - » The Company's standing in terms of the International Labour Organisation Declaration on Fundamental Principles and Rights at Work.
  - » The Company's employment relationships, and its contribution towards continuous development of its employees.
- Drawing matters within its mandate and Terms of Reference to the attention of the Board when necessary.
- Reporting, through the Chairman of the Committee, to the shareholders at the Company's Annual General Meeting on any area of the business or the meeting that relates to the Committee's functions as may be required.

#### Committee Chairman's feedback

The Committee is mindful of the societal pressures arising from South Africa's socio-economic challenges, which include poverty and unemployment. We are committed to improving the well-being of our employees and the people in the communities in which we operate.

Libstar is making good progress in embedding sustainability across the business. The quality of ESG data has improved following the rollout of the integrated online sustainability management system, enhancing the integrity of ESG reporting.

## Governance and Board Committees continued

### Delivery on focus areas

The table below provides updates on delivery of the focus areas we outlined in last year's report.

Focus area	Progress
Ethics.	<p>» The Ethics Hotline was transferred to Whistle Blowers (Pty) Ltd on 1 July 2024.</p> <p>» Communication on the transition was communicated through various mediums, including posters, email, and the newsletter.</p> <p>» The Committee approved the updated Ethics Hotline Policy.</p> <p>» The Committee approved the updated Code of Ethics and Conduct, which contains the revamped values.</p> <p>» The Committee monitored the implementation of the <i>One Libstar</i> High-Performance Programme.</p>
Talent management.	<p>» The Committee focused on talent management, noting that two refresher talent management sessions were held for HR, Senior and Middle management during July 2024. The sessions covered an overview of the talent management process and tools to assist managers in facilitating talent discussions.</p>
Roll out of the ESG strategy.	<p>» The Committee monitored the progress of the ESG strategy. The Committee noted the progress of the Group in moving to an online ESG data management platform.</p>
Improve the Group's Broad-Based Black Economic Empowerment (B-BBEE) level and transformation status through key strategic policies.	<p>» B-BBEE continues to be a focus. The Group achieved a level 5 B-BBEE rating.</p>
Updating of policies.	<p>» The Committee reviewed the policy register and approved a Stakeholder Engagement Policy and other policies.</p>

### B-BBEE

Libstar is committed to the principles of B-BBEE regulations and transformation in the Group. Libstar was evaluated and independently verified by AQRate Verification Services for the year ended 31 December 2024.

The Group achieved a B-BBEE level 5 contribution status with a score of 78.55, an improvement on the score was achieved in 2023 when the Group was discounted to a level 6 contribution status.

### Labour

The national minimum wage was adjusted on 1 March 2024 by 8.5%. This was implemented in all business units.

### Looking ahead

- Rollout of the *One Libstar* High-Performance Programme.
- Talent management.
- B-BBEE improvement.
- Implement additional policies which fall within the mandate of the Committee.



Governance and Board Committees continued

Investment Committee

**Composition and role**  
The Committee comprises three Independent Non-Executive Directors and two Executive Directors.

JP Landman (Chairman) <i>Non-Executive Independent Director</i>	
Anneke Andrews	<i>Non-Executive Independent Director</i>
Sandeep Khanna	<i>Non-Executive Independent Director</i>
Charl de Villiers	<i>CEO</i>
Terri Ladbroke	<i>CFO</i>

The Committee assists and advises Executive Management on opportunities and other material transactions that are not in the ordinary course of business, as well as matters related to these. The Committee also approves any recommendations or proposals to be made to the Board in relation to such opportunities or transactions.

During the year, the Committee considered matters relating to the divestment strategy of the Group.

Delivery on focus areas

The table below provides updates on delivery of the focus areas we outlined in last year's report.

Focus area	Progress
Reposition the portfolio towards value-added food categories.	<p>» The Committee considered various transactions for the divestment of Household &amp; Personal Care and strategic interventions at Denny Mushrooms. This is ongoing.</p> <p>The Committee recommended the sale of Chet Chemicals, which was finalised in December 2024.</p>
Unlock value from underperforming operations.	<p>» The Committee continued to evaluate ways to unlock value in the underperforming units. This forms part of the larger strategy development the Board and leadership finalised this year.</p> <p>Closure of Chamonix Spring Water plant.</p>
Expand the Group's profitability and size through various organic and inorganic strategies.	<p>» Opportunities are considered on an ongoing basis.</p>

Looking ahead

- Consider opportunities that will unlock shareholder value.
- Reposition the portfolio towards value-added food categories.
- Continue to focus on the core activities of the Committee, as set out in the Terms of Reference.



# King Report on Corporate Governance for South Africa 2016 (King IV)



King IV principles



Application

Libstar has evaluated its compliance with King IV's principles and recommended practices.

This section sets out the Group's application (A) of the 17 corporate governance principles, as recommended by King IV. The disclosure reflects an assessment of the Group's performance on the principles. This section is supplemented by and should be read in conjunction with governance-related disclosures in the rest of the Integrated Annual Report and Annual Financial Statements.

## 1 Leadership

**The governing body should lead ethically and effectively.**



The Board applies a standard ethical decision-making framework across the organisation. The members of the Board hold one another accountable for ethical decision-making and behaviour. The executives and senior management teams are responsible for ensuring that ethical values and effective behaviours are instilled and maintained in the daily activities of the Group. Disclosure of interests is a standard agenda item at Board and Committee meetings and there is ongoing disclosure of interests by Directors.

## 2 Organisational ethics

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



Libstar has a Board-approved Code of Ethics and Conduct which applies to all Directors and employees.

The Board governs and monitors the ethics of Libstar. This is based on integrity, competency, responsibility, accountability, fairness and transparency. The Board endeavours to ensure that the ethical standards set are integrated and understood throughout Libstar. The Social, Ethics and Transformation Committee assist the Board with monitoring and reporting on social, environmental, ethical and transformation practices that support the establishment of an ethical culture within Libstar.

Libstar has an independently managed anonymous reporting ethics hotline for the reporting and investigation of breaches in ethical and compliance standards.

## 3 Responsible corporate citizenship

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



The Board, assisted by the Social, Ethics and Transformation Committee, is responsible for monitoring the Group's response to good corporate citizenship. Libstar supports various initiatives which contribute to responsible economic, social and environmental outcomes.

## 4 Strategy and performance

**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 is ultimately responsible for the strategy, growth and performance of the Group.

It provides strategic direction by:

- Considering the capital plans for Libstar's sustainability and expansion.
- Reviewing the annual budget and key operational objectives and ensuring that they are aligned with the mission and values of Libstar.
- Overseeing effective risk management.

## 5 Reporting

**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.**



The Board is committed to high standards of reporting and conformity.

The Board ensures that the Integrated Annual Report provides an accurate, complete and integrated representation of the Group, including its financial performance, corporate governance, risk management and sustainability. The Audit and Risk Committee assists the Board by reviewing the Integrated Annual Report to ensure that the information contained is reliable and aligns with the financial aspects of the report.



## King Report on Corporate Governance for South Africa 2016 (King IV) continued

### 6 Primary roles and responsibilities of the governing body

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

A

The Board has adopted a charter which:

- Details the Board's roles, responsibilities and functions of Directors and officials of the companies.
- Ensures that good corporate governance is maintained throughout the Group.

### 7 Composition of the governing body

The governing body should comprise an appropriate balance of knowledge, skills, experience, diversity and independence to discharge its governance role and responsibilities objectively and effectively.

A

The Board consists of eight Directors, which include five Independent Non-Executive Directors, and three Executive Directors. The Nomination Committee oversees that the Board is appropriately constituted to execute its responsibilities effectively.

### 8 Committees of the governing body

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

A

The Board has five Committees to deal with delegated matters effectively. Each Committee has formal written Terms of Reference.

The Committees are:

- Audit and Risk
- Remuneration
- Nomination
- Social, Ethics and Transformation
- Investment

The Committees are appropriately constituted with due regard to the skills, expertise, experience and time required by each Committee.

Committees are also entitled to access any required information and outside professional assistance that may be necessary to discharge their roles and responsibilities effectively. The Committees are empowered to make decisions within their respective mandates. The Committees comprise Non-Executive and Executive Directors. They are chaired by Independent Non-Executive Directors.

The members of the executive and senior management are invited to attend meetings of the Committees, as required.



## King Report on Corporate Governance for South Africa 2016 (King IV) continued

### 9 Evaluation of the performance of the governing body

**The governing body should ensure that the evaluation of its own performance and that of its Committees, its chairs and its individual members, support continued improvement in its performance and effectiveness.**

*A*

The Board and its Committees assess their performance and effectiveness annually to ensure compliance with the recommendations of King IV and to comply with their responsibilities and fiduciary duties, as set out in the Companies Act. The performance of management and the Executive Directors is assessed on an annual basis.

### 10 Appointment of and delegation management

**The governing body should ensure that delegation to management contributes to role clarity and the effective exercise of authority and responsibilities.**

*A*

The CEO bears ultimate responsibility for the daily running of the business and management functions. The Board retains responsibility for its fiduciary duties and responsibilities and delegates to the CEO, who in turn delegates to those reporting to him.

An Approvals Framework is in place, which sets out matters reserved for the Board and those delegated to management.

### 11 Risk governance

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

*A*

The Board is ultimately responsible for the governance of risk. It has assigned oversight of the Group's risk management function to the Audit and Risk Committee.

Management is accountable to the Board for designing, implementing and monitoring the processes of risk management and integrating these into the daily activities of the Group.

The Group Risk Register is reviewed by the Audit and Risk Committee every quarter. The register includes the key risks facing Libstar, mitigating actions and residual risks.

The risk registers for each business unit within the Group are reviewed at least twice a year.

The Audit and Risk Committee takes material changes and trends in the risk profile of the Group into account. It considers whether the control systems, including as it relates to reporting, adequately support the achievement of the risk management objectives.





## King Report on Corporate Governance for South Africa 2016 (King IV) continued

## 12 Technology and information governance

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

A

The Board remains conscious of the importance of the governance and management of technology and information to the operations and success of Libstar. The Audit and Risk Committee will continue to oversee and evaluate the proactive measures taken by management and the impact of the ICT Steering Committee. The Committee was created to strengthen this function and control environment further. The ICT Steering Committee's responsibilities are to:

- Align ICT with the strategic, performance and sustainability objectives.
- Monitor and evaluate significant ICT investments and expenditures.
- Ensure that information assets are managed effectively.

## 13 Compliance governance

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

A

The Board oversees compliance with laws and regulations. This is monitored through a combination of management controls, internal and external audit, the Group's sponsors and the Company Secretary. Legal compliance is a standard agenda item at Audit and Risk Committee meetings.

## 14 Remuneration governance

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

A

The Remuneration Committee ensures that the remuneration packages are market-related, transparent and linked to performance. It also ensures that appropriate remuneration frameworks and policies are adhered to. These frameworks and policies aim to attract and retain top talent and drive long-term growth and sustainable performance.

## 15 Combined assurance

**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 of the organisation's external reports.**

A

The Board recognises and assumes its overall and ultimate responsibility in relation to assurance. It complies with the principles and the recommended practices and ensures that a combined assurance model is followed. The Audit and Risk Committee has oversight responsibility for Libstar's combined assurance model, including confirmations by management and internal and external assurance providers.

## 16 Stakeholders

**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 in the best interests of the organisation over time.**

A

Libstar is committed to good governance and compliance with legislative requirements at all levels of the business and in all its interactions with stakeholders. Libstar fully embraces an inclusive stakeholder approach, which the Social, Ethics and Transformation Committee monitors. The Board acknowledges and encourages engagement with stakeholders. The Board further recognises its responsibility to ensure that Libstar acts as a good corporate citizen and performs its obligations towards its employees, shareholders, customers, suppliers, regulators and the communities in which it operates. The Board recognises that transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence. It aims to ensure that:

- The Company provides complete, timely and accurate information to stakeholders having regard to legal and strategic considerations.
- Communication with stakeholders is comprehensive and clear.

## 17 Responsible investing

**The governing body of an institutional investor organisation should ensure that responsible investing is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests.**

A

Libstar is not a financial institution, as defined in terms of the Financial Services Board Act, No 97 of 1990.



# Remuneration *review*

106	Section 1: Background statement
108	Section 2: Overview of Remuneration Policy
116	Section 3: Implementation of the Remuneration Policy



# Section 1: Background *statement*

In line with King IV, shareholders will have the opportunity to approve the Group's Remuneration Policy at the Annual General Meeting in 2025.


The approval will focus on:

- A non-binding advisory vote on section 2 of this report.
- A non-binding advisory vote on section 3 of this report (excluding recommended fees for Directors).
- The recommended fees for Directors (included in section 3 of this report).


If there are 25% or more votes against the approval of the Remuneration Policy and its implementation, the Group undertakes to do the following:

- Provide an opportunity for dissenting shareholders to express their concerns.
- Provide an official response to shareholders that will outline actions to be taken on the issues raised.

## Outcome of the 2024 AGM

Remuneration Policy		2024 AGM	2023 AGM
For		90.37%	75.30%
Against		9.63%	24.70%

Remuneration implementation report		2024 AGM	2023 AGM
For		87.05%	81.70%
Against		12.95%	18.30%

We have engaged with large shareholders over the last few years to create an understanding of the Group's Remuneration Policy and implementation processes. Shareholder engagement on remuneration matters is ongoing and the Remuneration Committee continuously considers feedback received and incorporates it where appropriate. We are pleased with the shareholder support received at the last AGM, resulting in the passing of the Remuneration Policy and implementation report with the required majority votes. We thank our shareholders for their support.

## The Remuneration Committee

Our Remuneration Policy recognises the relative contribution of each employee to the performance of the Group as a whole. We value a high-performance culture by adopting remuneration strategies that encourage senior employees to contribute innovatively and drive impactful results.

The Remuneration Committee members have the relevant skills and experience to perform their duties. The members have no business or other relationships that could materially affect their independent judgement. Executive Directors are not allowed to participate in discussions regarding their own remuneration and are not entitled to vote at such meetings.

The Remuneration Committee comprises three Independent Non-Executive Directors. The members of the Committee during the year were Sandeep Khanna (Chairman), Wendy Luhabe (member) and JP Landman (member).

Committee meetings are attended by the Chief Executive Officer, Chief Financial Officer, Executive Director and Human Resources Manager.

## Remuneration Committee meetings during 2024

	11/03/ 2024	19/06/ 2024	20/11/ 2024
Sandeep Khanna (Chairman)	Y	Y	Y
JP Landman	Y	Y	Y
Wendy Luhabe	Y	Y	Y

## Advice sought

Libstar used the services of an external remuneration consultant to advise on and assist with the implementation and analysis of the following:

- Best practice in terms of remuneration structuring and variable pay.
- Reviewing the Libstar framework to assess alignment to industry peer group remuneration frameworks.

## Section 1: Background statement continued

### Long-Term Incentive Programme progression (100% vesting targets)

2019 – 2021	2022 – 2023	2024 onwards
<b>Share appreciation rights</b> Normalised headline earnings growth – CPI + 2%	<b>Performance units</b> (50%) Normalised HEPS CAGR = CPI + 0.5% (30%) ROIC <sup>5</sup> = WACC + 0.5% (20%) ESG – B-BBEE target	<b>Performance units</b> (50%) Normalised HEPS CAGR = CPI + 1% (30%) ROIC = WACC + 0.5% (20%) ESG: B-BBEE – target (8%) Water – 0% increase (4%) Electricity – 0% increase (4%) DIFR – improvement 0.1 (4%)
<b>Performance shares</b> (40%) TSR <sup>1</sup> median in peer group (30%) ROAA <sup>2</sup> = WACC <sup>3</sup> + 1% (30%) Normalised headline earnings CAGR <sup>4</sup> = CPI + 2%		
<b>Forfeitable shares</b> B-BBEE compliance		
Executive Directors, executives, senior management and other key employees	Executive Directors (executives, senior management and other key employees – deferred cash bonus scheme)	Executive Directors (executives, senior management and other key employees – deferred cash bonus scheme)

<sup>1</sup> TSR: total shareholder return

<sup>2</sup> ROAA: return on adjusted assets

<sup>3</sup> WACC: weighted average cost of capital

<sup>4</sup> CAGR: compound annual growth rate

<sup>5</sup> ROIC: return on invested capital





# Section 2: Overview of Remuneration

## Policy



### Remuneration principles

The Group's key remuneration principles are to:

- Ensure that Libstar's approach to remuneration is fair, equitable, transparent, market-related and considers both the strategic priorities and performance of the Group.
- Recognise the contribution of employees to the performance of the Group.
- Retain employees and incentivise talent.
- Maintain the value of entrepreneurship by adopting remuneration strategies that encourage senior employees to challenge boundaries.
- Ensure compliance with legislation and regulations relating to the remuneration of employees (including their benefits and incentives) and the related reporting.

### Remuneration governance

The Board is ultimately responsible for the implementation of the Remuneration Policy. The Remuneration Committee is mandated to assist the Board in fulfilling its duties.

The Remuneration Committee plays an active role in reviewing the Remuneration Policy, the remuneration philosophy, strategy and practices to align with industry best practices, as well as to the goals and strategic objectives of the Group.

The Remuneration Committee is constituted in accordance with its Terms of Reference in line with King IV. The composition of the Committee is compliant with the JSE Listings Requirements and all statutory requirements. The Committee consists of three Independent Non-Executive Directors. The Chairman of the Board serves as a member of the Remuneration Committee but is not the Chairman.

#### The responsibilities of the Committee are to:

- Monitor, review and implement the Remuneration Policy.
- Ensure alignment with the latest governance standards.
- Assist the Board to ensure that key employees are retained.
- Ensure that the Remuneration Policy enables Libstar to meet its strategic objectives.
- Advise the Board on the determination of the remuneration payable to the Non-Executive Directors of Libstar.
- Approve:
  - » the Short-Term and Long-Term Incentive Programmes and monitor overall liability.
  - » annual salary increase parameters.
  - » the total quantum, vesting criteria and allocations in the Libstar Long-Term Incentive Programme.
- Review the remuneration packages for Libstar's Executive Management. These are recommended by the CEO of the Company.
- Ensure that a succession plan is in place and that talent pool participants and the executive talent pipeline are regularly reviewed.

Terms of Reference applicable to the Committee regulate the operations of the Remuneration Committee. The composition of the Committee is compliant with JSE Listings Requirements and any applicable laws. The Committee consists of Directors of the Group, the majority of whom are Independent Non-Executive Directors. The chairperson of the Board may serve as a member of the Committee but may not serve as Chairman.

## Section 2: Overview of Remuneration Policy continued

### Remuneration structure

The Remuneration Policy covers the following reward elements:

Total reward		Who is eligible?				What is the objective?		How is the pay level set?	
		Total remuneration		Total guaranteed pay (TGP)		Non-financial benefits			
	Variable pay	Long-Term Incentive Programme (Share Plan and Long-Term Incentive Plan)	Executive Directors, executives, senior management, other key employees	Rewards individual and Company performance, attraction/retention, recognition of individual contribution to operating business success	Allocation based on total guaranteed pay subject to financial performance				
		Short-term incentives (deferred cash bonus)	Executives, senior management, other key employees	Rewards individual and Company performance, attraction/retention	Business unit required to achieve 90% of EBIT* target				
		Short-term incentives (annual cash bonus)	Executive Directors, executives, senior management, other key employees	Rewards individual and Company performance, attraction/retention	Business unit required to achieve 90% of EBIT* target				
	Total guaranteed pay (TGP)	13th cheque	Employees not participating in STI	Motivation	Aligned with business unit financial performance				
		Benefits (pension/provident fund, medical aid, death benefits)	Facilitated by business units	Motivation	Market-linked practices				
		Allowances (cars, phones)	Where appropriate	Attraction/motivation	Linked to market practices				
		Basic (monthly salary, weekly/hourly wage)	All employees						
	Non-financial benefits	Recognition	All employees	Motivation	Provided for in Budgets				
		Personal growth							
		Positive workplace							
Career progression									

\* Earnings before interest and taxation

### Remuneration composition

Remuneration packages consist of total guaranteed pay and variable pay. Libstar's variable pay methods include a short-term incentive, a long-term incentive and a Group share plan. Although the share plan remains in place, there are no pending awards.

The remuneration mix for senior levels emphasises variable pay, making it a more "at risk" structure. For employees at more junior levels, the mix is weighted towards guaranteed pay.

#### 1 Total guaranteed pay (TGP)

##### Description

- A TGP approach is followed, which may include items such as car and phone allowances.
- An annual review of TGP is conducted, considering the size and complexity of business units.
- Increases are considered against factors such as projected annual increases in CPI, Company performance and affordability, performance of businesses in the consumer packaged goods sector of the JSE Limited, external market conditions, internal equity and the performance of the individual.

##### The Company facilitates the following plans:

- Pension, provident and retirement funds for permanent employees.
- Insured risk benefits.
- Medical aid and medical insurance benefits.



## Section 2: Overview of Remuneration Policy continued

### 2 Short-term incentives (STIs)

#### Description

STIs are performance bonuses designed to incentivise participants to improve short-term business performance. An employee may qualify for an STI once the earnings before interest and tax (EBIT) targets for the year have been achieved.

#### Employees

The Company is committed to rewarding employees for their contribution to the Company's success. Employees are granted bonuses at the sole discretion of the Company, subject to Company performance.

During the year, all bargaining unit employees received bonuses. These varied between business units.

Not all administration and management level employees participate in the Short-Term Incentive Programme. Employees in administration and management received a bonus where the Company performance warranted this.

#### Fair and responsible remuneration

Remuneration is one of several factors that contribute to the attraction and retention of employees. Other indirect ways of rewarding employees include recognising the performance of individuals and the Libstar Group as a whole, providing avenues to pursue individual personal growth, creating a positive and nurturing workplace, and creating career progression opportunities for individuals. Additional programmes to promote the development of strategic skills, employee wellness, financial training and career mapping add to a work environment that empowers employees to gain the necessary experience and qualifications to progress their careers with the Libstar Group.

Libstar is dedicated to improving the conditions of employment for all employees and implementing programmes to achieve fair and responsible remuneration for all employees proactively. Internal

salary/wage benchmarking is conducted to promote fair and equitable remuneration across all levels of employment, where possible. The Group recognises that there are historical inequalities in the environment where it operates that must be addressed. To realise a concept of fair and responsible remuneration, our remuneration aims to promote diversity, employment equity and equality at all levels in the workforce while understanding that the business operates in a complex and competitive environment. This requires ongoing and constant analysis of the payment practices to assess whether equal work is rewarded with equal pay and that employees are remunerated fairly and responsibly at all times.

#### Executive Directors and senior management

The Group and/or business units must achieve at least 90% of their EBIT target before bonuses become payable. STI payments are made in two tranches to obviate a clawback provision in the rules<sup>ii</sup>:

- 70% payable in December, based on October business forecasts. Only applicable to businesses that are forecast to achieve 100% or more of their budget.
- 30% payable in the following April based on the audited results.

STI payments are subject to the discretion of and approval by the Remuneration Committee and Board.

	% of qualifying "on-target" STI	
EBIT (actual vs budget)	50%	Financial
Return on net assets (RONA)	20%	
Savings on net working capital days	10%	
Individual key performance indicators (KPIs) and B-BBEE compliance <sup>*</sup>	20%	Performance and ESG

<sup>\*</sup> In line with the Group's ESG strategy, the current B-BBEE compliance element has been broadened to include the below performance criteria from 2025:

- B-BBEE (8%): Group target;
- Water (4%): Achieving a 0% increase on the prior year, relative to production performance outputs;
- Electricity (4%): Achieving a 0% increase in KW/Ton consumed; and
- Disabling injury frequency rate (DIFR) (4%): A reduction of 0.1 from the prior year.

The Group revised the Short-Term Incentive Programme in 2022 to include a deferred cash component for eligible participants.

The purpose of the plan is to align shareholder and participant interests by providing an annual incentive that will reward participants for:

- Outstanding business performance.
- Achieving and/or exceeding targeted performance levels annually.
- Applying critical skills that drive business performance and growth in key areas of the organisation.
- Fostering and contributing to the embedding of a high-performance culture within the Group.

The deferred cash component is an important retention lever for talent in the Group.

Executive Directors are not eligible for the deferred cash component.

The "on-target" bonus levels as a percentage of TGP are:

	STI (annual bonus scheme) As a % of TGP	STI (deferred cash component) As a % of TGP
Group Chief Executive Officer	50%	— <sup>&amp;</sup>
Group Chief Financial Officer and Executive Director	45%	— <sup>&amp;</sup>
Group central office executives and managing executives of business units	35% – 45%	Up to 25% over 3 years
Senior management	12.5% – 35%	Up to 25% over 3 years

<sup>&</sup> Do not qualify

The deferred short-term incentive is deferred over three years. It commences one year after the financial year-end in which the short-term incentive was earned. Payments are made in December each year and are subject to participants remaining in employment at the date of payment.

<sup>ii</sup> Business units forecast to exceed their budget were paid in accordance with the tranches above. Business units exceeding the qualifying EBIT threshold but performing below budget were paid in the following April. Payment after the availability of audited financials was implemented where business units' performance was close to the qualifying threshold and based on the importance of the last quarter on business units' achievement of the threshold and/or budget.

## Section 2: Overview of Remuneration Policy continued

### 3 Long-term incentives (LTIs) 2019-2021

Libstar implemented two Long-Term Incentive Programmes when it listed in 2018. One was a share-settled scheme (Libstar Group Share Plan), which was applicable to a limited number of participants, and the other was a cash-settled scheme (Long-Term Incentive Plan), which was applicable to a broader scope of participants.

The Libstar Group Share Plan (Share Plan) and Long-Term Incentive Plan (LTIP) were approved by shareholders at the Annual General Meeting held in May 2019.

Libstar's long-term incentive scheme structures are outlined below:

1. **The Share Plan** is offered to key strategic executives. It is settled in shares and focuses on Group performance.
2. **The LTIP** is offered to key operational executives and senior management. It is settled in cash and focuses predominantly on operational performance.

Under the Libstar Group Share Plan and Libstar Long-Term Incentive Plan, executives and senior employees may be offered the following on an annual basis:

- Allocations of share appreciation rights.
- Awards of performance shares/units.
- Grants of forfeitable shares/units.

The fundamental difference between the two plans is that the Share Plan settles in equity (transfer of shares) compared to the LTIP, which settles through a cash payment equal to equity value.

The 2021 LTIP awards vested in 2024. The vesting overview is presented below:

	LTIP
Performance units	0% vesting
Forfeitable units	100% vesting
Total Rand value vested	R0.8m

Libstar Group LTIP and Share Plan	Performance shares		Forfeitable shares	Share appreciation rights	
Eligibility	Executive Directors and selected executives			Executive Directors, executives, senior managers and selected other managers	
Grant basis	% of annual TGP		% of STI	% of annual TGP	
Appreciation basis	Full value			Appreciation only	
Performance conditions on vesting	TSR <sup>1</sup> versus JSE Consumer Packaged Goods peer group (40%)		Achievement of Libstar Group B-BBEE <sup>*</sup>	Achievement of real growth (CPI +2%) in normalised headline earnings	
	40th percentile	0% vesting		Below CPI	0% vesting
	Median	100% vesting		CPI + 2% or greater	100% vesting (pro rata between 0% to 100%)
	Upper quartile (pro rata between 0% to 300%)	300% vesting			
	Libstar's three-year performance (60%) Targeted ROAA <sup>2</sup> versus WACC <sup>3</sup>				
	Below WACC	0% vesting			
	WACC	75% vesting			
	WACC+1%	100% vesting			
	WACC+5%	Pro rata between 100% and 300% vesting			
	Libstar Group CAGR <sup>4</sup> in normalised headline earnings				
Below CPI	0%				
CPI + 2%	100%				
CPI + 4% (pro rata between 0% to 300%)	300%				
Vesting period	Third anniversary				
Settlement	<div>- Group Share Plan: shares issued or acquired in the market</div> <div>- LTIP: cash</div>				
Termination (unless the Board, in its discretion, decides otherwise)	<div>- <b>No-fault termination:</b> vests on a pro rata basis to the extent of Company performance</div> <div>- <b>Fault termination:</b> forfeited and cancelled</div>			<div>- <b>No-fault termination:</b> vests automatically</div> <div>- <b>Fault termination:</b> cancelled</div>	
Link to business strategy	<div>- Rewards for individual and Company performance</div> <div>- Recognition of individual contribution to Company success</div>				

<sup>1</sup> TSR: total shareholder return    <sup>2</sup> ROAA: return on adjusted assets    <sup>3</sup> WACC: weighted average cost of capital    <sup>4</sup> CAGR: compound annual growth rate  
<sup>^</sup> Broad-Based Black Economic Empowerment



## Section 2: Overview of Remuneration Policy continued

### Offer methodology

**1** The rules applicable to the Libstar Group Share Plan and the LTIP provide for allocations, awards and grants in accordance with a methodology and plan determined by the Board, in conjunction with the Remuneration Committee, from time to time.

**2** The methodology informs the allocations, awards and grants under the Libstar Share Plan and LTIP. The reward strategy remuneration mix of Libstar is determined with reference to:

- the relationship between guaranteed pay and variable pay; and
- the participation in and balance of the various variable pay structures within Libstar.

**3** Each senior employee's remuneration mix consists of:

- a short-term bonus paid in terms of the STI scheme (with a deferred cash component where applicable); and
- the expected future accrual in terms of the Libstar Long-Term Incentive Plan in which the senior employee participates, resulting from targeted share and financial performance. These are expressed as a percentage of the senior employee's guaranteed pay at the time of an allocation, award or grant under either the Libstar Group Share Plan or the LTIP.

**4** The Board has developed an implementation schedule which governs the expected value to be derived from each of the instruments that are offered to participants under the Libstar Group Share Plan, LTIP and STIP (deferred component). These consider an employee's current status, role and remuneration.

The implementation schedule will:

1. Translate the long-term component of the reward strategy pay mix into a value apportionment between the methods of allocation in the Libstar Group Share Plan and the LTIP.
2. Dictate the face value (Rands) of offers to be made. This is expressed as a percentage of a guaranteed short-term incentive bonus.

The face value (Rands) derived from the application of the implementation schedule is converted for each individual into the number of instruments that will be offered to participants by dividing the Rand value by the current price of an ordinary share in the Company at the time the offer is made.

The implementation schedule may sometimes be adjusted for future offers based on evolving economic, market, performance or strategic considerations.

### AMENDMENTS TO LTIP

The Group revised the cash-settled Long-Term Incentive Plan (LTIP) in 2022 following concerns tabled by internal and external stakeholders regarding the complexity of the scheme and the achievement of the scheme's objectives.

The 2019-2021 scheme comprised share appreciation rights, performance units and forfeitable units.

The 2022 LTIP scheme was reduced to performance units only.

#### Libstar Group LTIP (2019-2021)

The LTIP was introduced in 2019 to:

- Reward individual and Company performance.
- Attract/retain talent.
- Recognise individual contribution to operating business success.

Group LTIP awards from 2019 to 2021 were offered to Executive Directors, executives, senior management and other key employees.

The 2019-2021 LTIP comprised share appreciation rights, performance units and forfeitable units.

#### Revised Libstar Group LTIP (2022-2023)

The LTIP was revised in 2022 to attract, motivate, reward and retain eligible employees who can influence the Group's performance to align their interests with those of the Group's shareholders and the business's strategy.

Group LTIP awards during 2022 and 2023 were offered to Executive Directors. The revised LTIP was simplified to only include performance units.

Executives, senior management and other key employees were invited to participate in the deferred cash bonus scheme from 2022.

#### Libstar Group LTIP (2024 onwards)

The performance criteria of the LTIP were amended, with the weighting of B-BBEE reduced with the inclusion of specific ESG targets.

## Section 2: Overview of Remuneration Policy continued

### 3 Revised long-term incentive scheme 2022-2023

#### How ROAA vs WACC is calculated

(Normalised EBIT – amortisation of customer relationships created during the 2014 restructuring of the Group) × (1 – 28%)

Average invested capital\*  
(current and preceding financial year)

\* (Total equity + total debt – cash and cash equivalents – intangible assets and goodwill created during the 2014 restructuring of the Group)



Libstar Group LTIP and Share Plan		Performance shares																							
Eligibility  Grant basis  Appreciation basis  Performance conditions on vesting	Executive Directors and selected executives																								
	% of annual TGP																								
	Full value																								
	<table><tr><th colspan="2">KPI and weightings</th><th>Threshold vesting</th><th>Target 100% vesting</th><th>Stretch/ maximum 300% vesting</th></tr><tr><td>Profit (50%)</td><td>Normalised HEPS growth over the performance period</td><td>Measurements are usually a three-year CAGR relative to CPI plus a premium  Below CPI = 0% vesting CPI = 50% vesting</td><td>CPI + 0.5%</td><td>CPI + 4%</td></tr><tr><td>Shareholder value (30%)</td><td>Return on invested capital</td><td>Measure of return relative to the three-year business plan  Below WACC = 0% vesting WACC = 75% vesting</td><td>WACC + 0.5%</td><td>WACC + 1.5%</td></tr><tr><td>ESG (20%)</td><td>A measure of ESG and/or other strategic initiatives</td><td>Measures such as water, recycling and employment equity/B-BBEE^ targets</td><td colspan="2">Weighted scorecards</td></tr></table>					KPI and weightings		Threshold vesting	Target 100% vesting	Stretch/ maximum 300% vesting	Profit (50%)	Normalised HEPS growth over the performance period	Measurements are usually a three-year CAGR relative to CPI plus a premium  Below CPI = 0% vesting CPI = 50% vesting	CPI + 0.5%	CPI + 4%	Shareholder value (30%)	Return on invested capital	Measure of return relative to the three-year business plan  Below WACC = 0% vesting WACC = 75% vesting	WACC + 0.5%	WACC + 1.5%	ESG (20%)	A measure of ESG and/or other strategic initiatives	Measures such as water, recycling and employment equity/B-BBEE^ targets	Weighted scorecards	
	KPI and weightings		Threshold vesting	Target 100% vesting	Stretch/ maximum 300% vesting																				
	Profit (50%)	Normalised HEPS growth over the performance period	Measurements are usually a three-year CAGR relative to CPI plus a premium  Below CPI = 0% vesting CPI = 50% vesting	CPI + 0.5%	CPI + 4%																				
	Shareholder value (30%)	Return on invested capital	Measure of return relative to the three-year business plan  Below WACC = 0% vesting WACC = 75% vesting	WACC + 0.5%	WACC + 1.5%																				
ESG (20%)	A measure of ESG and/or other strategic initiatives	Measures such as water, recycling and employment equity/B-BBEE^ targets	Weighted scorecards																						
Third anniversary																									
<div>– Group Share Plan: shares issued or acquired in the market</div> <div>– LTIP: cash</div>																									
Termination (unless the Board, in its discretion, decides otherwise)	<div>– <b>No-fault termination:</b> vests on a pro rata basis to the extent of Company performance</div> <div>– <b>Fault termination:</b> forfeited and cancelled</div>																								
	<div>– Rewards for individual and Company performance</div> <div>– Recognition of individual contribution to Company success</div>																								
Link to business strategy																									

^ Broad-Based Black Economic Empowerment



## Section 2: Overview of Remuneration Policy continued

### Revised Long-Term Incentive Programme: 2025 performance criteria

KPI and weightings	Explanation	Threshold vesting	Target 100% vesting	Stretch/maximum 300% vesting
<b>Profit</b> <b>50%</b>	Normalised HEPS growth over the performance period	Measurements are usually a three-year CAGR relative to CPI plus a premium  Below CPI = 0% vesting  CPI + 1 % = pro rata between 0% and 100%	CPI + 1%	CPI + 5%
<b>Shareholder value</b> <b>30%</b>	ROIC	Measure of return relative to the 3-year business plan  Below WACC = 0% vesting  WACC and WACC + 0.5% = pro rata between 0% and 100%	WACC + 0.5%	WACC + 5%
<b>ESG</b> <b>20%</b>	A measure of ESG and/or other strategic initiatives	Measures such as water, recycling and employment equity/ B-BBEE targets	<b>Weighted scorecard:</b> <b>B-BBEE (8%):</b> Level 4 Contributor (as per Group target). <b>Water (4%):</b> Achieving a 0% increase in total water usage based on the prior year's baseline. Relative to the growth of production performance outputs. <b>Electricity (4%):</b> Achieving a 0% increase in KW/Ton for total electricity consumed from Eskom and generator usage. <b>Disabling injury frequency rate (DIFR) (4%):</b> The actual prior year result improved by 0.1. The Group's target is to reduce by 0.1 on the prior year's actuals. Business units with a DIFR greater than the Group's overall target will be required to reduce by 0.1 on their prior year actuals. Business units with a lower DIFR than the Group's overall target will be required to remain below the Group's overall DIFR target. The Group's DIFR target for 2025 is 1.0.	



## Section 2: Overview of Remuneration Policy continued

### Short-Term Incentive Programme: 2025 onwards – performance criteria

KPI and weightings	Further detail	Threshold target (R'000)	Target 100% (R'000)	Maximum target 100% (R'000)
<b>Financial</b> <b>80%</b>	Profitability 50%	Earnings before interest and tax (EBIT)	Measured against the current year budget or prior year actuals, whichever figure is greater	
	Working capital management 5%	Net working capital days (NWC) or cash conversion ratio – December 2025	Measured against budget	
	Working capital management 5%	Net working capital days (NWC) or cash conversion ratio – Average 2025	Measured against budget	
	Returns 20%	Return on net assets* (RONA)	Measured against budget	
<b>ESG</b> <b>20%</b>	Measures of ESG and/or other strategic initiatives	Measures, such as water, recycling, and employment equity/ B-BBEE targets	<b>Weighted scorecard:</b> <b>B-BBEE (8%):</b> Level 4 contributor (in line with Group target). <b>Water (4%):</b> Achieving a 0% increase in total water usage based on the prior year baseline. Relative to the growth of production performance outputs. <b>Electricity (4%):</b> Achieving a 0% increase in KW/Ton for total electricity consumed from Eskom and generator usage. <b>Disabling injury frequency rate (DIFR) (4%):</b> The actual prior year result improved by 0.1. The Group's target is to reduce by 0.1 on the prior year's actuals. Business units with a DIFR greater than the Group's overall target will be required to reduce by 0.1 on their prior year actuals. Business units with a lower DIFR than the Group's overall target will be required to remain below the Group's overall DIFR target. The Group's DIFR target for 2025 is 1.0.	

\* RONA = Normalised EBIT (after tax)

Invested capital\*\*

\*\* Average invested capital, excluding intangible assets and cash

### STIP performance criteria F2025

**B-BBEE (8% weighting)** – The 2025 target will be to achieve a level 4 compliance status. This could be amended in following years, for example, to level 3.

- **Water (4% weighting)** – Achieving a 0% increase in total water usage based on the prior year baseline, relative to the growth of production performance outputs (measured per kilogram produced). It is acknowledged that increased production will result in a greater usage of water. This measure is, therefore, not intended to limit growth but rather to manage overall water consumption.
- **Electricity (4% weighting)** – Achieving a 0% increase in KW/Ton for total electricity consumed from Eskom and generator usage. Overall, the Group aims to reduce electricity usage and promote conscious consumption.
- **Disabling injury frequency rate (DIFR) (4% weighting)** – The Group's target is to reduce its DIFR by 0.1 relative to the prior year's actual DIFR. Business units with a DIFR greater than the Group's overall target will be required to reduce their respective DIFRS by 0.1 relative to their prior year's (2023) actuals. Business units with a lower DIFR than the Group's overall target for 2024 will be required to remain below the Group's overall DIFR. The Group's DIFR target for 2025 is 1.0.

### Disabling injury frequency rate (DIFR)

- Group DIFR actual for 2024: 1.1
- Group DIFR target for 2025: 1.0



# Section 3: Implementation of the Remuneration Policy

## Salary increases

	2025 %	2024 %	2023 %	2022 %	2021 %
Executive Directors	6.4*	5.0	*	5.4	5.0
Group office executives and managing executives of business units	(7.6)**	(0.1)	(5.3)	2.5	2.5
Employees	The Company uses CPI and remuneration benchmarking as a guideline to determine increases.				
Bargaining unit employees	Bargaining unit employees are remunerated either in line with relevant sectoral determinations, as set out by the Department of Labour, or in line with collective agreements concluded with respective trade unions.				

## \*Executive Directors

Charl de Villiers was appointed as the Group CEO and Cornél Lodewyks was appointed as an Executive Director (ED) from 1 January 2023. Terri Ladbroke was appointed as the new Group CFO in March 2023. A market benchmarking exercise was conducted to establish the salary levels of all three roles in 2023. The executive team member 2025 increases were considered in line with the 50% percentile of the consumer packaged goods sector peer group.

R'000	% increase	Total guaranteed pay 2025	Total guaranteed pay 2024
Charl de Villiers – CEO	8.5%	5 869	5 409
Cornél Lodewyks – ED	5%	4 782	4 554
Terri Ladbroke – CFO	5%	3 901	3 715

<sup>#</sup> Executive Directors include, where applicable, Andries van Rensburg, who retired in December 2022 and Robin Smith, who retired in December 2021. Charl de Villiers, Cornél Lodewyks and Terri Ladbroke are included as Executive Directors from 2023.

<sup>^</sup> Executive Directors do not qualify for STI deferred payments. However, Cornél Lodewyks and Terri Ladbroke qualified for deferred payments before being appointed as Executive Directors.

<sup>&</sup> Deferred payments for the HPC managing executives were paid out on the successful sale of Chet Chemicals (and not over three years).

## \*\*Group office executives and managing executives of business units

An increase of 5% was approved; however, the effective change from the prior year was a reduction of 7.6% due to the retirement of a senior executive as well as the transfer of a managing executive with the sale of Chet Chemicals.

## STI payments

Based on the Group's performance during the year under review, the Executive Directors and Group office executives received a short-term incentive.

Managing executives of the business units were paid STIs in line with the performance of the relevant business unit against budget.

% of TGP	2024	2023	2022	2021	2020
Executive Directors <sup>#</sup> : STI	14.3	–	–	13.6	17.6
Executive Directors: Discretionary bonus	–	–	8.3	–	–
Total	14.3	–	8.3	13.6	17.6
Group office executives and managing executives of business units	18.3	11.4	15.3	19.3	21.5
Rand value R'000					
Executive Directors: STI	2 015	–	–	1 968	2 428
Executive Directors: Discretionary bonus	–	–	894	–	–
Total	2 015	–	894	1 968	2 428
Group office executives and managing executives of business units	7 943	5 395	9 131	10 878	11 742

## STI deferred cash component

Managing executives of the business units who qualified for STIs were awarded a deferred cash component.

Rand value R'000	2024	2025	2026	2027
Executive Directors <sup>^</sup>				
2021 awards	434	–	–	–
2022 awards	165	165	–	–
2023 awards	–	–	–	–
Group office executives and managing executives of business units				
2021 awards	1 254	–	–	–
2022 awards	1 005	1 005	–	–
2023 awards	3 474 <sup>&amp;</sup>	1 019	1 019	–
2024 awards	1 491	1 491	1 491	–

## Section 3: Implementation of the Remuneration Policy continued

### Explanation of payments

#### STI awards

Libstar is required to achieve at least 90% of its EBIT target against budget before any bonuses become payable.

The individual performance metrics used are outlined below:

				ESG		
PERFORMANCE MEASURES	Normalised EBIT	Net working capital days	RONA	B-BBEE	WATER & ELECTRICITY	DIFR
DESCRIPTION	Budget (threshold 90% of budget)	December 2024   Average 2024	Budget	Compliance		
TARGET FOR 2024	R717.8 million	79   85	12.2%	Level 4	0% increase	1.4
ACTUAL FOR 2024	R663.4 million	84   85	10.6%	Level 5	>0% increase	1.1
RESULTS	Achieved (92%)	Not achieved   Achieved	Not achieved	Not achieved	Not achieved	Achieved
WEIGHTING	50%	5%   5%	20%	20%		

Return on net assets (RONA) targets are established at the business unit level. The Group aims to achieve ROIC in excess of its weighted average cost of capital (WACC).

During 2024, the Group achieved a ROIC of 8.6% (2023: 9.8%) against a WACC of 12.0% (2023: 12.7%).



## Section 3: Implementation of the Remuneration Policy continued

The LTIP and Libstar Group Share Plan were approved by shareholders at the AGM in May 2019.

Awards were made in 2020 in terms of the former Long-Term Incentive Plan (LTIP) to 95 employees vested on 8 April 2023.

The Committee cancelled the SARs awards following no appreciation, a total of R1 million was paid to ten employees, in respect of the forfeitable units that vested.

Awards made in 2020 in terms of the Group Share Plan to 18 employees vested on 8 April 2023.

The Committee cancelled the SARs awards following no appreciation, a total of R1 million was paid to ten employees, in respect of the forfeitable units that vested. The Remuneration Committee approved the settlement of the vested Group Share Plan awards in cash.

No awards were made under the Group Share Plan during 2023 and 2024.

### Directors' share rights

#### Long-Term Incentive Plan (LTIP)

The table below sets out the awards to Executive Directors made in terms of the LTIP:

	Date of award	Vesting date	Expiry date (SARs)	Strike price (SARs)/ Price on grant	Number of rights as at 31 Dec 2023	Number of instruments awarded during the year	Number of instruments vested during the year	Number of instruments forfeited during the year	Number of rights as at 31 Dec 2024
<b>CEO (Charl de Villiers)</b>									
SARs	Apr 2021	Apr 2024	Apr 2028	6.75	199 630	–	–	(199 630)	–
Performance shares	Apr 2021	Apr 2024	–	6.75	148 867	–	–	(148 867)	–
Forfeitable shares	Apr 2021	Apr 2024	–	6.75	37 217	–	(37 217)	–	–
Performance shares	Dec 2022	Dec 2025	–	5.80	492 534	–	–	–	492 534
Performance shares	Apr 2023	Apr 2026	–	4.86	839 506	–	–	–	839 506
Performance shares	Mar 2024	Mar 2027	–	4.35	–	1 203 371	–	–	1 203 371
<b>CFO (Terri Ladbrooke)</b>									
SARs	Apr 2021	Apr 2024	Apr 2028	6.75	98 948	–	–	(98 948)	–
Performance shares	Apr 2021	Apr 2024	–	6.75	34 357	–	–	(34 357)	–
Forfeitable shares	Apr 2021	Apr 2024	–	6.75	8 562	–	(8 562)	–	–
Performance shares	Apr 2023	Apr 2026	–	4.86	504 115	–	–	–	504 115
Performance shares	Mar 2024	Mar 2027	–	4.35	–	722 612	–	–	722 612
<b>Executive Director (Cornél Lodewyks)</b>									
SARs	Apr 2021	Apr 2024	Apr 2028	6.75	139 630	–	–	(139 630)	–
Performance shares	Apr 2021	Apr 2024	–	6.75	110 741	–	–	(110 741)	–
Forfeitable shares	Apr 2021	Apr 2024	–	6.75	27 733	–	(27 733)	–	–
Performance shares	Apr 2023	Apr 2026	–	4.86	590 535	–	–	–	590 535
Performance shares	Mar 2024	Mar 2027	–	4.35	–	846 489	–	–	846 489

## Section 3: Implementation of the Remuneration Policy continued

### Single figure remuneration

The following table discloses the total remuneration received by Executive Directors.

R'000	Basic salary	Company contributions	Bonuses and incentives	Share-based payments	Other benefits <sup>§</sup>	Total
<b>31 December 2024</b>						
Charl de Villiers	5 355	54	–	138	–	5 547
Terri Ladbrooke	3 675	40	410	32	–	4 157
Cornél Lodewyks	3 539	1 015	189	103	108	4 954
<b>31 December 2023</b>						
Charl de Villiers	5 100	53	–	352	–	5 505
Terri Ladbrooke	3 250*	115	983**	–	–	4 348
Cornél Lodewyks	3 365	1 175	378#	279	1 053	6 250
Andries van Rensburg	–	–	–	2 367	1 500	3 867

\* Terri was appointed in March 2023, and her total guaranteed remuneration was pro-rated accordingly.

\*\* Bonuses and incentives paid to Terri during the 2023 financial year related to deferred STI payments for 2021 and 2022 from Rialto.

# Bonuses and incentives paid to Cornél during the 2023 financial year related to deferred STI payments for 2021 from Lancewood.

§ Other benefits include bursary fees for further education and retirement benefits.

### Non-Executive Directors' fees

The proposed fees for 2025 are set out below and are subject to approval by shareholders at the AGM in June 2025. The increase proposed equates to 5%. This is in line with inflation. The Board believes that the fees are market-related and commensurate with the time and effort required by the Directors to undertake their duties. Fees are compared to the data contained in the Willis Towers Watson and PWC reports on Non-Executive Directors' remuneration and fees paid by peers in the consumer packaged goods sector.

The proposed fees also consider the qualifications, experience and opportunity cost of the targeted profile of Non-Executive Directors for the Group. The fees are appropriate to retain existing and attract potential new Non-Executive Directors. No Non-Executive Directors participate in any incentive programmes and their remuneration is not linked to the performance of the Group or its share performance.

	2025 Proposed fees 1 January 2025 to 31 December 2025 Rand	2024 Fees 1 January 2024 to 31 December 2024 Rand
<b>Board of Directors</b>		
Chairman	909 564	866 251
Independent Director	350 838	334 131
<b>Audit and Risk Committee</b>		
Chairman	337 838	321 750
Additional once-off fee (Chairman only)	N/A	250 000
Committee member	181 913	173 250
<b>Remuneration Committee</b>		
Chairman	324 849	309 380
Committee member	142 937	136 130
<b>Nomination Committee</b>		
Chairman	259 876	247 501
Committee member	129 937	123 750
<b>Social, Ethics and Transformation Committee</b>		
Chairman	259 876	247 501
Committee member	129 937	123 750
<b>Investment Committee</b>		
Chairman	259 876	231 525*
Committee member	129 937	123 750

\* The prior year number published was incorrectly reflected, the increase is therefore >5%.





# Corporate *information*

## Company and registered office

### Libstar Holdings Limited

Registration Number: 2014/032444/06  
Libstar House, 43 Blouelie Crescent,  
Platteklouf, Western Cape, 7500  
South Africa

## Website

[www.libstar.co.za](http://www.libstar.co.za)

## Directors

### Wendy Yvonne Nomathemba Luhabe

(Chairman – Independent Non-Executive Director)

### Johannes Petrus (JP) Landman

(Lead Independent Non-Executive Director)

### Anneke Andrews

(Independent Non-Executive Director)

### Sandeep Khanna

(Independent Non-Executive Director)

### Sibongile Masinga

(Independent Non-Executive Director)

### Charl Benjamin de Villiers

(Chief Executive Officer)

### Terri Lee Ladbrooke

(Chief Financial Officer)

### Cornél Lodewyks

(Executive Director)

## Company Secretary

### Ntokozo Makomba

43 Blouelie Crescent,  
Platteklouf, Western Cape 7500  
South Africa

## Sponsor

### The Standard Bank of South Africa Limited

30 Baker Street, Rosebank,  
Johannesburg, 2196, South Africa  
(PO Box 61344, Marshalltown,  
Johannesburg, 2107)

## Auditor

### Ernst & Young Inc.

3rd Floor, Waterway House  
3 Dock Road, V&A Waterfront  
Cape Town, 8001  
South Africa

## Transfer Secretaries

### Computershare Investor Services Proprietary Limited

Rosebank Towers, 15 Biermann Avenue,  
Rosebank, Johannesburg, 2196, South Africa  
(PO Box 61051, Marshalltown,  
Johannesburg, 2107)





LIBST★R