

REMGRO'S APPROACH TO REPORTING

The 2019 Integrated Annual Report provides a holistic view of Remgro's business model, how the Company is managed and also how it manages its investments. In this regard our main focus is to provide a complete analysis of our business to satisfy the information needs of key stakeholders that use the Integrated Annual Report.

The information presented thus aims to provide our stakeholders with a good understanding of the financial, social, environmental and economic impacts of the Group to enable them to evaluate the ability of Remgro to create sustainable value for our stakeholders.

In order to ensure that we address all the material issues that matter to us, our shareholders and other stakeholders, we also report on matters such as:

- Our business model;
- Our most significant business risks and opportunities, as identified through our integrated risk management process; and
- Governance processes.

REPORTING SUITE

The table below contains the Remgro reporting suite information detailing the assurances obtained and frameworks applied to each report.

SUITE	APPLIED PRINCIPLES AND FRAMEWORKS	ASSURANCE OBTAINED
Integrated Report	<ul style="list-style-type: none"> • IIRC <IR> Framework • King Report on Corporate Governance™ for South Africa (2016) (King IV™) • Companies Act (No. 71 of 2008), as amended (Companies Act) • JSE Limited Listings Requirements 	<ul style="list-style-type: none"> • Reviewed by: <ul style="list-style-type: none"> – Management – Internal audit/Finance – Audit Committee – Board – JSE sponsor
Consolidated Annual Financial Statements	<ul style="list-style-type: none"> • International Financial Reporting Standards (IFRS) • Companies Act • JSE Listings Requirements 	Independent audit opinion by PricewaterhouseCoopers Inc.
Sustainable development report	No specific framework applied	<ul style="list-style-type: none"> • Reviewed by: <ul style="list-style-type: none"> – Management – Internal audit/Finance – Social and Ethics Committee and Audit and Risk Committee – Board • Carbon Disclosure Project (CDP) verification of certain non-financial indicators
Annual results presentation	Not applicable	<ul style="list-style-type: none"> • Reviewed by: <ul style="list-style-type: none"> – Management – Finance – Executive directors – Investor Relations
BBBEE certificate	Department of Trade and Industry's generic Code of Good Practice	AQRate Proprietary Limited

King IV, which was published on 1 November 2016, contains a set of principles that are fundamental to good governance, as well as related leading recommended practices. The JSE Limited has incorporated certain of King IV's recommended practices in the JSE Listings Requirements, with the effect that some of King IV's recommended practices are in fact

mandatory in respect of companies listed on the JSE (such as Remgro). The Board is satisfied that the Company has applied the principles contained in King IV during the year under review. The Corporate Governance Report on page 66 explains how Remgro has applied the principles enumerated in King IV with reference to the practices applied by Remgro.



Remgro is an investment holding company and accordingly all references to “the Group” in this context denote the Company and its subsidiaries.



SCOPE AND BOUNDARIES OF OUR REPORT

Remgro is an investment holding company and accordingly all references to “the Group” in this context denote the Company and its subsidiaries. Disclosure is therefore limited to those entities where the Group exercises control over the financial and operating policies of such entities, save where those entities disclose the relevant information in their own publicised annual reports.

Remgro has four main operating subsidiaries, i.e. RCL Foods Limited (RCL Foods), Distell Group Holdings Limited (Distell), Siqalo Foods Proprietary Limited (Siqalo Foods) and Wispeco Holdings Proprietary Limited (Wispeco). As RCL Foods and Distell are listed on the JSE, detailed information regarding their financial, sustainability and social performance is available on their websites at www.rclfoods.com and www.distell.co.za respectively.

Siqalo Foods and Wispeco are unlisted wholly owned subsidiaries which are operated and managed on a decentralised basis as independent entities with autonomous Boards of Directors. Based on the above, as well as the fact that Siqalo Foods and Wispeco represent only 4.5% and 0.6% of Remgro's intrinsic net asset value, respectively, only summarised "non-financial" disclosure relating to social and environmental performance will be provided for Siqalo Foods and Wispeco. This is in line with Remgro's reporting on the financial performance of its investee companies.

Following on the philosophy outlined above, Remgro manages all investee companies on the same decentralised basis, irrespective of whether they are subsidiaries, associates or joint ventures. Therefore data relating to the social and environmental performance of subsidiaries, associates and joint ventures, over which Remgro does not exercise operational control, are not covered in detail in this report. However, information is provided in instances where material sustainable development issues are at stake.

SIGNIFICANT EVENTS DURING AND AFTER THE END OF THE REPORTING PERIOD

On 2 July 2018 Unilever South Africa Holdings Proprietary Limited (Unilever) acquired Remgro's 25.75% shareholding in Unilever in exchange for Unilever's Spreads business in Southern Africa, as well as a cash consideration of R4 900 million, representing a total transaction value of R11 900 million. This transaction valued the Unilever Spreads business at R7 000 million.

The Unilever Spreads business was transferred to Siqalo Foods, which became a wholly owned subsidiary of Remgro on 2 July 2018.

During the year under review, Remgro invested a further R2 855 million in Community Investment Ventures Holdings Proprietary Limited (CIVH), in terms of CIVH rights issues. These share subscriptions did not alter Remgro's interest in CIVH. Remgro also advanced a loan of R100 million to CIVH, which will be converted into CIVH shares subsequent to 30 June 2019.

Refer to the reports of the Chief Executive Officer and Chief Financial Officer on pages 25 and 32 respectively for a brief summary of these transactions. Besides the transaction above, no significant events occurred during the reporting period or after the end of the reporting period, which may have a material impact on the size, structure or ownership of the Group.

BOARD APPROVAL STATEMENT

The Board, supported by the Audit and Risk Committee, acknowledges its responsibility to ensure the integrity and completeness of the report. The Board applied its collective mind to the preparation and presentation of the report. We believe that the report has been prepared in accordance with the <IR> framework and it provides a balanced and appropriate representation of the Company.

The Board approved the 2019 Integrated Annual Report on 19 September 2019.

