Our business model

As Remgro continues to **evolve and optimise its portfolio,** our management philosophy has become **more dynamic,** adapting to the requirements of investee companies.

How our investments are managed

Remgro has a few operating subsidiaries of which the material companies are RCL Foods Limited (listed), Rainbow Chicken Limited (listed), Siqalo Foods Proprietary Limited (unlisted), Wispeco Holdings Proprietary Limited (unlisted) and Capevin Holdings Proprietary Limited (unlisted). Remgro's other material investments comprise both listed and unlisted companies that are not controlled by Remgro and which are mostly associates and joint ventures due to the significant influence or joint control exercised by Remgro through board representation in those investee companies.

Notwithstanding the level of influence or control, our default management philosophy remains one of decentralised, empowered partnership with Remgro's commitment of management resources defined by the requirements of the portfolio at any point in time. This means that the investee companies have autonomous boards of directors and management structures, while Remgro exerts its influence through non-executive representation on the boards of these companies. As Remgro continues its portfolio optimisation efforts, our management philosophy has become more dynamic, adapting to the requirements of investee companies. For instance, early-stage investments typically require closer involvement and, similarly, investees that are facing adverse market conditions or operational challenges, typically rely more heavily on Remgro's input. Partnership with investee companies to drive performance continues to be a strategic imperative for Remgro, underpinned by this dynamic management philosophy.

The Remgro Board believes that the aforementioned "fit for purpose" model is best suited to driving performance at the investee company level. The full impact of this dynamic model is achieved by being a shareholder partner that holds management to account on agreed strategies and targets, provides patient financial capital, strategic support and access to resources and expertise through Remgro's broad and diverse network. Remgro believes these components create an environment within which investee companies can achieve their organic and inorganic growth strategies and build long-term value for all stakeholders.

In addition, Remgro has formalised the Remgro Collaboration Network, a group-wide initiative aimed at facilitating more networking, collaboration and information sharing opportunities for the benefit of the Group. The network seeks to aggregate information and experiences and facilitates knowledge sharing and collaboration across various functions across Remgro's investee companies. Focus areas to date include human resources, corporate social investment, ESG, innovation and technology, with additional opportunities for leveraging group-wide perspectives continually being explored.

Shareholder agreements are in place for Remgro's associates and joint ventures where there are also other major shareholders involved. These agreements serve as a mechanism to protect Remgro's rights as a shareholder and manage any associated risks. In terms of these agreements Remgro has decision-making involvement for a defined list of material matters of the businesses of these entities, typically including items such as the appointment or removal of directors, capital structure, business strategy, large capital expenditure and mergers, acquisitions and disposals.

Where Remgro does not have the right to board representation, such investments are classified as portfolio investments.

As a responsible steward of its investee companies, Remgro leverages its influence to ensure that these entities adhere to high standards and best practice in areas such as governance, internal controls, financial and risk management, legal compliance, social responsibility, safety, health and environmental management, internal audit, ethics management, information management, stakeholder relationships, succession planning, and sustainability. With respect to our sustainability agenda in particular, Remgro assumes a stewardship role in promoting the adoption of best practice Environmental, Social and Governance (ESG) principles in order to achieve shared sustainability goals across the Group.

Investment philosophy

Remgro invests in reputable businesses that are aligned with its values and purpose, with sound management teams that have the potential to deliver superior earnings, sustainable cash flow generation and dividend growth over the long term. Remgro forges strategic alliances on a partnership basis and adds value through its extensive network of human capital.

Remgro embraces responsible stewardship to manage its assets and pursue new investments according to its ESG Investment Policy. Our principles drive investment decisions for sustainable financial returns and positive ESG impacts.

We integrate impact throughout the investment lifecycle, focusing on long-term value. Remgro supports investee companies in aligning their ESG approaches with our commitment to environmental, social and economic change.

We monitor our ESG strategy continuously.

Remgro's investment strategy and investment criteria

- Remgro invests in entities where Remgro can identify sustainable value over the long term and which offer barriers to entry and prospective returns in excess of Remgro's minimum internal rate of return.
- Remgro seeks investments that can deliver superior financial returns.
- Remgro values entrepreneurs and supports management teams that are aligned in terms of purpose, values and financial objectives of creating sustainable stakeholder value.
- Remgro considers the viability of products and services with reference to product lifecycles and seeks to maintain a portfolio with exposures across different maturity cycles.
- Remgro focuses on South African investments and other African countries through investee companies and investments further afield on a very selective basis.
- Remgro prioritises unlisted assets and seeks significant influence and board representation in its investee companies.
- Remgro's primary focus is on the following sectors:
  - Healthcare
  - Consumer products
  - Financial services
  - Infrastructure
  - Industrial