

# BUSINESS MODEL

Pioneer Foods creates value from its core business activities of strategic sourcing, production, distribution, marketing and selling of a diverse range of food and beverage products in collaboration with a network of producers, business partners and service providers.

The Group is structured to enable the following:

Leverage the One Pioneer parenting advantage and scale

Streamlined and cost efficient structure

Process and systems standardisation

Best ways of working across the Group

Category and customer focus

A common corporate identity

In the past year, the business model was further enhanced by the following:

- Establishing a focused international business
- Embedding centralised logistics under Pioneer Foods Logistics Services ("PFLS") and the Shared Service Centre ("SSC")
- Investing in integrated demand management
- Strengthening of Pioneer Food in store field marketing capability
- Evolving systems capability through SAP

The business model is the vehicle for delivery on Pioneer Foods' vision to be the leading South African fast-moving consumer goods ("FMCG") company with a strong African footprint and globally recognised scale. The Group depends on all six capitals (financial, manufacturing, intellectual, human, social and relationship, and natural capital) as the stores of value through which Pioneer Foods creates products and services. The Group's activities result in an increase, decrease or transformation of the capitals, with the most significant impact on natural capital as raw material is converted into food and beverage products. The availability, quality and affordability of the capitals are managed with a long-term investment view and the due consideration of agricultural cycles, climate change impacts and shifting consumer patterns.