

# ABOUT OUR INTEGRATED REPORT

The primary purpose of Senwes' integrated report is to demonstrate to the providers of financial capital and potential investors, how Senwes creates sustainable value over the short, medium and long term.

In acknowledging the fact that sustained value creation does not happen in isolation, the group's approach to value creation is best illustrated through its integrated value-adding business model, strategies, risk assessments, opportunities, performance and governance practices. A balanced and accurate reflection of these material aspects forms the essence of Senwes' integrated report. The report also provides stakeholders with a balanced, accurate and transparent assessment on whether the company can deliver on its brand promise.

## OUR APPROACH TO REPORTING

This report is prepared in accordance with the International Framework of the International Integrated Reporting Council (IIRC) and provides our stakeholders with a concise and transparent assessment of our ability to use our expertise to create sustainable value.

### Reporting period

The Senwes integrated report is compiled and published annually and this report focuses on the activities and operations of the group for the period 1 May 2020 to 30 April 2021.

### Scope and boundary

This report extends beyond financial reporting and includes non-financial information attributable to, or associated with, our key stakeholders, who have a significant impact on, or interest in the group's ability to create value.

### Combined assurance

The group's external auditor, Ernst & Young Inc. (EY), has conducted an independent audit of the group's consolidated annual financial statements. Other sections of the report, consisting of non-financial information, have not been subjected to an independent audit or review and have been compiled, based on internal records and information in the public domain under supervision of CF Kruger CA (SA), Group Chief Financial Officer.

## FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements with respect to Senwes' financial position, results, operations and businesses. These statements and forecasts involve risk and uncertainty, as they relate to events and depend on circumstances that may or may not occur in the future.

The group does not undertake to update or revise any of these forward-looking statements publicly, whether to reflect new information, future events or otherwise. The forward-looking statements have not been audited, reviewed or reported on by EY.

## Board responsibility statement

The Senwes board of directors acknowledges its responsibility of ensuring the integrity of this integrated report which, in the board's opinion, addresses all the issues that are material to the group's ability to create value and fairly presents the integrated performance of the Senwes Group.

The board has applied its collective mind to the preparation and presentation of this report and believes that it has been prepared in accordance with the IIRC Framework and under the supervision of senior management. It furthermore underwent a rigorous process using both internal and external assurances. The report was approved by the board of directors of Senwes on 1 July 2021.

Danie Minnaar  
Chairman

Francois Strydom  
Group Chief  
Executive Officer

Venete Klein

Dries Kruger

Steve Booyesen  
Vice Chairman

Corné Kruger  
Group Chief  
Financial Officer

Pieter Stander

Thabo van Zyl

## KEY CONCEPTS

### Defining integrated thinking

Integrated thinking is the process where relationships between the various operating units and the capitals are actively considered in decision-making to add value over the short, medium and long term.

### Defining value

Value is the occurrence where the consequences of our successful resource application have a positive impact on a stakeholder.

### Defining materiality

Materiality refers to the actions or issues of substantial importance that affect the group's strategy and therefore its ability to create value over the short, medium and long term and/or actions and decisions by the group that may affect its stakeholders, either positively or negatively.

The emergence of the Covid-19 pandemic in South Africa in March 2020 impacted on all our material matters. Our response to the evolving pandemic is addressed throughout the report.

### Defining short, medium and long term

Short term is less than 12 months, medium term is one to three years and long term is beyond three years.

### Defining the capitals

Capitals refer to the fundamental pillars of value which the organisation depends on for its success and which increase, decrease or are transformed through the activities and outputs of the group.

## NAVIGATION

### OUR CAPITALS

Senwes relies on various forms of capital to achieve set targets and goals. These capitals form the basis of Senwes' value creation and are not independent of one another. The following icons are used to identify these capitals:

-  **Financial capital**
-  **Human capital**
-  **Intellectual capital**
-  **Manufacturing capital**
-  **Natural capital**
-  **Social and relationship capital**

### STAKEHOLDERS

Senwes focuses on serving the various needs of all stakeholder groups, while prioritising actions and leveraging resources in a manner that ensures a long-term positive impact on the organisation. The following icons are used to identify each stakeholder group:

-  **Shareholders and investors**
-  **Clients and customers**
-  **Employees**
-  **Business partners**
-  **Suppliers**
-  **Government and regulators**
-  **Communities**

### STRATEGIC FOCUS AREAS

Senwes' strategic focus areas are defined as the deliberate goals established to achieve our purpose, mission and fulfil the company's responsibility and can be identified by the following icons:

-  **Diversification, horizontal integration and consolidation**
-  **Increased investment in efficiencies in the value chain**
-  **Internal integration of the customer**
-  **Reorganisation of business models**
-  **Unlocking value synergies**
-  **Externalisation**

### RISKS

Senwes deems its risk management practices to be practical and fully acknowledges the volatile agricultural industry and our need to be agile, smarter, more effective, proactive, forward-looking and, at the same time, appropriately responsive. The following icon is used to identify our risks throughout the report: 

#### Our risks are as follows:

- 1 Environmental and health and safety risk.
- 2 Political and economic climate risk.
- 3 Market size and market share risk.
- 4 Credit, liquidity and market risk.
- 5 Commodity price risk.
- 6 Weather and climate risk.
- 7 Information technology - systems and cyber risk.
- 8 Urbanisation, scarcity and retention of skills risk.
- 9 Transition and customer risk.
- 10 Diversification and agricultural industry risk.
- 11 Unique competitor risk.
- 12 Regulation and compliance requirements risk.
- 13 Theft and fraud risk.



**IV** King IV  Covid-19 related