RES CORPORATION

INTEGRATED REPORT

2026

CONTENTS

SIMAMA WENABE
+2B 2030

Our Simama Wenabe +2B 2030 Strategy continues to guide our response to the challenges posed by climate change and geopolitical uncertainty. Its three strategic themes; Operational Excellence, Diversification, and Sustainability Impact remain central to our direction. During the first year of implementation, we launched our new Spotted Horse retail alcohol brand, embarked on sugarcane yield turnaround initiatives, and progressed the development of our 10 MW solar plant, which is now in its final stages. The journey continues towards a sustainable RES.

Navigation Icons

Our Six Capitals

FINANCIAL CAPITAL
The pool of funds and assets that we maintain, and which enable our operations

NATURAL CAPITAL
The natural resources we utilise, and the actions we take to help sustain and steward the environment in which we operate

MANUFACTURED CAPITAL
Our factories, equipment, vehicles, buildings, properties, technological networks and other infrastructure

HUMAN CAPITAL
Our people, and all the capacities and expertise that they bring to RES

INTELLECTUAL CAPITAL
The policies, procedures, intellectual property (IP), and knowledge that exists and is cultivated within RES

SOCIAL AND RELATIONSHIP CAPITAL
The partnerships and relationships that we foster and maintain with our stakeholders, including our employees, providers, suppliers and communities

Our Top Five Material Matters

- **Sugar Markets:** Price, exchange rates and tariffs — Financial
- **Climate Change** — Financial
- **Energy** — Financial
- **Water** — Impact
- **Soil Health** — Impact

Our Three Strategic Themes

- **Operational Excellence**
- **Diversification**
- **Sustainability Impact**

Our Top Ten Risks

- Financial sustainability
- Sugar markets
- Extreme weather conditions
- Energy security and rising costs
- Organisational culture
- Employee safety
- Pest upsurges and outbreaks
- Ageing infrastucture
- Cyber-security risk
- Water security and storage

Our Key Stakeholder Groups

- Employees
- Government and regulators
- Shareholders
- Strategic partners
- Customers
- Trade unions
- Suppliers
- Outgrowers
- Host communities
- Media
- Civic society
- Eswatini business sector

Our United Nations Sustainable Development Goals (UNSDGs) Alignments

- 3 Good Health and Well-being
- 5 Gender Equality
- 6 Clean Water and Sanitation
- 7 Affordable and Clean Energy
- 8 Decent Work and Economic Growth
- 9 Industry, Innovation and Infrastructure
- 11 Sustainable Cities and Communities
- 12 Responsible Consumption and Production
- 13 Climate Action
- 15 Life on Land
- 17 Partnerships for the Goals

About This Report

This Integrated Report (IR) is the primary report of the Royal Eswatini Sugar Corporation (RES) to stakeholders, and covers the period 1 April 2025 to 31 March 2026. It addresses our activities, performance and relationships with information that describes how we generate, create and preserve value sustainably across our six capitals over the short, medium and long term, which we define as periods of one year, two to three years, and three to ten years respectively.

Integrated thinking

This IR was informed by integrated thinking, through which we actively consider the relationships between our operational and business support functions, as well as our position in the value chain, and our relationships with key stakeholders.

Basis of preparation

The report describes the integration of risk and opportunity management within our strategy and business model, in the context of our operating environment, while detailing key aspects of our business performance and outcomes.

Compiled using

Principles and content elements contained in the International Integrated Reporting <IR> Framework 2021 and guidance on materiality in the preparation of integrated reports

Aligned with

The requirements of the King IV™ Report (King IV)

Also applying

GRI Standards and IFRS® Accounting Standards, where they are relevant to sustainability and financial reporting, respectively

Taking into consideration

Information included in:

- Previous reports
- Internal management and Board reports
- Legislative reporting requirements

The scope of this report covers our:

- Operating context 19
- Strategy 39
- Business model 41
- Material matters 33
- Stakeholder engagement 26
- Governance 98

The scope of this report covers our:

- Company structure.................... 25
- Business operations.................. 19
- Financial statements 107
- Outgrowers.............................. 56
- Communities 87
- Suppliers 70

Financial and non-financial reporting

The report extends beyond financial reporting and includes non-financial performance, opportunities, risks and outcomes attributable to or associated with all our stakeholders that have a significant influence on our ability to create value sustainably while minimising value erosion. All financial figures are reported in Lilangeni (E) unless otherwise stated.

3 Our financial statements (refer to our Consolidated Financial Statements booklet) presented in abridged form on pages 107 to 115, comply with IFRS Accounting Standards, and are audited by PricewaterhouseCoopers, whose unqualified report appears on page 3.

Materiality

We apply the principles of materiality in assessing the disclosures for our integrated report. This report thus focuses on the matters that impact materially on the Corporation and its ability to create sustainable value over time.

During the year under review, we identified five material matters, grouped into two categories:

Financial
- Sugar Markets *(Price, exchange rates and tariffs)*
- Climate change
- Energy

Impact
- Water
- Soil health

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Financial statements

All reported information was current as at 31 March 2026, unless otherwise indicated. The report has been prepared in collaboration with external and independent sustainability specialists. It has been reviewed by the Corporation's Executive Committee (EXCO) and approved by the Board of Directors (the Board).

Assurance

The Corporation complies with the **Combined Assurance Model**

Reporting element	Assurance provider	Status
Sustainability Report	EXCO Review	Approved
Integrated Report	EXCO Review	Approved

Reporting element	Assurance provider	Status
Integrated Management Systems	Internal Audit	Approved

Reporting element	Assurance provider	Status
Integrated Management Systems	DQS	Compliance Certificate
Annual Financial Statements	PwC	Approved

EMPLOYING THREE LINES OF DEFENCE

First line of defence
Management has the primary responsibility to own and manage risks associated with day-to-day operational activities. They design and maintain the controls that manage these risks, ensuring risk management processes are integrated within the business and maintained as part of daily operations.

Second line of defence
The Risk and Compliance functions form the second line of defence. They support management to manage and monitor risks by providing the frameworks, methodologies, and policies through which risk is identified, assessed, treated, monitored, and reported across the organization. The second line reports to the RMEC and RSEC on the risk profile and the adequacy of risk management.

Third line of defence
Management and the Board receive external assurance on the Corporation's financial performance and internal control framework from our Internal Audit function and external auditors, as well as from various other external experts, as required

Governance 98
Risk 34

Forward-looking statements

Certain forward-looking statements appear in this report, including information under the heading "Looking ahead". These statements are made as part of our communication of what developments, opportunities and projects we anticipate in the pursuance of our activities in the short, medium and long term, and which risks and challenges we might therefore be likely to face.

These statements, by their nature, involve risk and uncertainty because they relate to future events and circumstances that may be beyond the control of RES. The directors, therefore, advise readers to use caution in interpreting these types of statements in the report.

Directors' statement of responsibility

The Board of Directors acknowledges its responsibility for ensuring the integrity of this report. The Board, in its opinion and having applied its collective mind to the preparation and presentation of the IR, believes the IR addresses all material matters and offers a balanced view of RES's strategy and how it relates to the organisation's ability to create value in the short, medium and long term. The Board is confident that this report is a fair representation of the performance of the Corporation.

Board

Dr AT Dlamini (Chairman), Chief Zibuse Ndlangamandla, Mr Mike Shongwe, Ms Busangani Mkhaliphi, Mr Andrew Westermeyer, Dr A Takang, Mr Jameson Gule, Mr Robert Field, HRH Princess Lomajuba, Mr Zombodze Magagula, Mr Nick Jackson

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Our Year at a Glance

Revenue
E4.642 BILLION
(FY2025: E5.020BN)

PAT/(LAT)
(E74) MILLION
(FY2025: E414M)

Operating Profit/(Loss)
(E107) MILLION
(FY2025: E520M)

New Supplier Application Reviewed
145
(FY2025: 151)

Cane Growing Margin/(Loss)
(E107) MILLION
(FY2025: E286M)

Sugar Milling Margin
E491 MILLION
(FY2025: E708M)

Ethanol Margin
E26 MILLION
(FY2025: E86M)

Total CSI Spend
E2.4 MILLION
(FY2025: E2.1M)

Permanent Employees
1 839
19% FEMALE
(FY2025: 1 808 - 19% Female)

Seasonal Employees
2 604
(FY2025: 2 266)

Skills and Training Spend
E56 MILLION
(FY2025: E26.5M)

DIFR
1.12
(FY2025: 0.82)

Total Estate Land Under Cane
23 375 HECTARES
(FY2025: 23 110Ha)

Total Cane Crushed
3.2 MILLION TONNES
(FY2025: E3.1MT)

Total Sugar Produced
195 886 TONNES
(FY2025: 170 094T)

Total Water Consumed
182 898 MILLION LITRES
(FY2025: 226 675ML)

Total Operations Electricity
62 MILLION KWh
(FY2025: 29M kWh)

Total Scope 1, 2 and 3 Emissions
still to be determined
under current year.
(FY2025: 911 867CO_2e)

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Message from the Chairman

In a year in which ongoing climate challenges, price volatility and above-inflation costs, and the poor results that were the outcome of these headwinds, the resilience of the Corporation has been admirable.

Overview

Notwithstanding the poor financial performance, and in line with our commitment to sustainability, we are making good progress in adopting appropriate new technologies and processes to enhance energy efficiency and reduce our carbon footprint.

The year was characterised by:

- **Unpredictable climate change** – the frequency and intensity of rains during the 2025/26 season curtailed the number of days available for harvest in the optimal harvesting window (Apr-Nov)
- **Depressed world sugar prices** with a consequential knock-on effect on domestic (SACU) pricing, where Eswatini sells the majority of its sugar, as well as lower ethanol prices
- **Stronger local currency** against major trading currencies – this exacerbated the dilutive impact of the lower prices
- **Geo-political events** leading to high cost inflation for key input commodities and logistics challenges, and cyber security issues. These issues have resulted in a much heightened focus on the management of risks and opportunities to protect and enhance value for our stakeholders
- 83 **Continuous technological developments** such as cloud computing and artificial intelligence (AI), which have reinforced the need for increased focus on IT governance. *(For more on IT see page 83)*

19 The financial performance during the year under review emphasised the Central importance of the Board's oversight role on disciplined cost, liquidity and capital management. *(For more on our operating environment, see page 19.)*

Strategic initiatives

The sugar industry operates in a disruptive and generative environment characterised by, inter alia, constantly fluctuating commodity markets, climate change and accelerated developments technology.

39 In light of these circumstances, the Board has continued to ensure that the Corporation's strategy remains focused and responsive to the global and operational realities we face as a business. *(For more on our strategy, see page 39.)*

In this regard, we have been intentional in overseeing the pursuit of improvements in the mills and the energy optimisation study which aim to drive growth and business transformation, while not losing focus on our low-cost strategic initiatives. The Board has 62 ensured that management drives projects aimed at 73 improving productivity and efficiencies, especially in cane production through mechanisation and appropriate new technologies. *(For more on our factories and energy, see pages 62 and 73 respectively.)*

The work of our Board committees

Risk, Social & Ethics Committee ensured continuous oversight on safety, health, environment, and quality (SHEQ) matters, with health and safety improvements overall, despite the fact that we sadly had to report one fatality during the year. Our deepest condolences go to the family of the employee who tragically lost her life, as well as to her friends and colleagues.

The Committee also oversaw the management of risks to ensure the achievement of our strategic objectives. Moreover, in recognising the ubiquity of cyber threats, IT risk management gave specific attention to the mitigation of cyber risks.

The Remuneration Committee focused on aligning executives' remuneration with shareholders' interests as well as on succession at an executive level in order to ensure business continuity.

As part of its oversight role over the preparation of financial statements, internal and external assurance providers' activities, and internal financial controls, the **Audit Committee** actively monitored developments on:

- Tax matters
- Compliance with Treasury Policy focusing on the Corporation's liquidity
- Borrowings and investments
- ERP migration control issues

98 In addition, the committee recommended the appointment of PricewaterhouseCoopers (PwC) as the Corporation's external auditors. *(For more on our governance, see page 98.)*

MESSAGE FROM THE CHAIRMAN *(continued)*

Highlights

Important achievements during the year included:

- The completion of a strategically important transaction by a RES subsidiary, which has advanced our expansion and diversification objectives
- Successful stabilisation of the executive team following the decision to split the Operations division in two divisions – Agriculture and Factories

Board matters

Through leveraging different skills sets reflected across the Board, and in the interest of upholding the principle of stakeholder inclusivity, the Board's focus remained on ethical and value-creation leadership, robust engagements and interrogation of issues. This has helped ensure that the Corporation's strategic focus continues to be carefully balanced across social, economic and environmental dimensions as detailed in our Sustainability Report and demonstrated throughout this report.

Delegating to management

During the year, management was tasked with ensuring stakeholder engagement to strengthen our stakeholder relationships. In addition, they were guided on the need for the identification of health and safety risks and the implementation of appropriate preventive measures, such as the ergonomics study, medical surveillance and occupational hygiene programmes. The aim is to strengthen and enhance physical and mental safety in the working environment.

Workplace safety

Despite a deterioration in key safety metrics during the year under review, the business remains committed to maintaining a safe and healthy workplace for all our employees and contractors. In response to the tragic fatality, independent root-cause investigations were undertaken. It is also important to note that continuous initiatives remain in place to strengthen safety measures in an ongoing basis to improve overall safety performance. *(For more on our human capital, see page 75.)*

Valuing our stakeholders

As a company, we recognise that our stakeholders are critical to the achievement of our strategic objectives. In this regard, we continued to maintain regular and constructive engagements with our stakeholder groups at all levels.

46

The year under review was a difficult one, characterised by headwinds in our operating environment. Excessive rains prohibited us from crushing all the crop, and sugar prices were low. Consequently, we are reporting a disappointing financial performance. This unfortunately has had a negative impact on dividend payments to our shareholders.
(For more on our financial performance, see page 46.)

The Corporation spent over E1.1 billion in wages, salaries and benefits, as well as ongoing investments in the wellbeing and training of our employees. As a result, a significant amount of tax has been paid, making an important contribution to the country's economic development.

Despite the challenges we faced, it is pleasing to note that through its corporate social investment, the Corporation has continued to advance job creation and poverty-alleviation projects for the benefit of neighbouring communities.

87

We continued to do this through donations and community-based projects, providing water and sanitation, health, and basic but key community infrastructure and youth empowerment programmes. *(For more on our CSI initiatives, see page 87.)*

We also maintained our mutually beneficial economic engagements with our customers and suppliers during the year.

Our regulatory universe

As a responsible, law-abiding corporate citizen, we continued to navigate the maze of regulatory developments – mainly in tax legislation – in Eswatini as well as in other jurisdictions where we do business.

We will certainly be revisiting our corporate governance practices in a drive to achieve the key governance outcomes emphasised by the recently issued King V Report on Governance. We view this as critical for maintaining the trust of our stakeholders and driving long-term performance.

Looking ahead

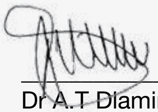
While our performance for the year has been disappointing, the Board remains positive about the Corporation's resilience and future. We have confidence that RES will diligently reinvent itself to ensure its position as a stimulus for long-term sustainability, value creation and innovation for the benefit of its stakeholders.

Acknowledgments

I am grateful to the Managing Director, management team and all our employees for their hard work throughout the year under review.

I would also like to thank my fellow directors for their constructive engagement, counsel, guidance and commitment in always acting in the best interests of the Corporation.

My sincere appreciation goes also to our shareholders, Eswatini Government, social partners, fenceline communities and all other stakeholders for their ongoing support and cooperation.



Dr A.T Dlamini
Chairman

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Message from the Managing Director

MESSAGE FROM THE MANAGING DIRECTOR

> Our financial results for the year under review are unfortunately not where we would like them to be, with a reportable loss of E74 million. This is entirely due to a combination of external factors, in what has proved to be the most challenging reporting period for the Corporation in 17 years.

Overview

19
While the main disruption to our activities was caused by extreme weather, the fall in sugar market prices also proved to be major challenge to our performance, with these two issues justifiably occupying position two and three on our risk register. *(For more on our operating environment, see page 19.)*

Excessive rain towards the end of 2025 prevented us from cutting all of our cane before December. We thus continued until well into January, with the plan of crushing the nearly 300 000 tonnes of cane left in the fields in March, thereby still including it within FY2026.

52 73
However, once we resumed harvesting and milling operations in March, and having processed about 50 000 tonnes of cane, relentless rains once again disrupted the process, and we were forced to leave around 250 000 tonnes in the fields, unable to turn the cane into profit and cash. *(For more on agriculture and our factories, see pages 52 and 73 respectively.)*

Due to the low sugar price and stronger local currency, conditions were ripe for deep-sea sugar imports into the Southern African Customs Union (SACU), driving prices lower. The sugar price for FY2026 was 8.0% lower than for FY 2025. The ethanol segment encountered non-trade barriers in one of our traditional markets with sales volumes being 12.5% lower than in FY2025. The result was that overall, we faced a perfect storm of challenges that has had a major impact on our financial performance.

Strategy

The year under review saw the start of our new Simama Wenabe +2B 2030 strategy implementation. The strategy features two components – Deep Roots and New Shoots. To ensure participation of every employee, we invested in strategy communication through leader-led face to face engagements, as well as digital platforms.

39
While the Deep Roots aspect guides the strengthening of our ongoing commitment to reduce unit costs, the concept of New Shoots emphasises our strategic need to pursue diversification with the goal of becoming more than purely a sugar and bulk ethanol producer. *(For more on strategy, see page 39.)*

Pursuing energy generation

During the year under review, we made further progress on the study of an optimised milling and energy generation project. The aspiration is two-fold: 1) to increase milling capacity so as to counter the now clearly observed shorter milling season, precipitated by increased rain days and rainfall quantities. There is also the outright benefit of increased sugar volumes due to a compressed sucrose curve; and 2) to achieve self-sufficiency in terms of electricity, with the potential to export base load power under Power Purchase Agreements (PPA's) into the national grid and to others. This subset also considers the use of solar, battery storage and wind.

These two objectives are highly interdependent, with energy efficiencies in the cane milling process unlocking biomass for additional electricity generation. Typically, such complex green energy projects, involving PPAs, have a prolonged research and financial close period, and RES needs to diligently evaluate the various options available to select and deliver a scalable and affordable package which will shape the next 50 years of RES's core operations. The current timeline projections are that a recommendation for the Board's consideration and approval could be expected by June 2027.

73
Overall, we are acting to continually improve our carbon footprint, with the burning of cane that would previously have been burnt in the fields, offset by using it in electricity production, and fuel ethanol as a blending additive for our own use. *(For more on energy, see page 73.)*

Retail developments

While our ethanol production was satisfactory, we nonetheless faced certain non-tariff barriers in South Africa which led to significantly lower sales. This has compelled us to seek alternative markets across the region and in Europe. However, with the Rand having gained some strength, and much of our sales being conducted in American dollars, we also faced an exchange rate disadvantage. 19 *(For more on our operating environment, see page 19.)*

64 Also on the ethanol side, our subsidiary, Simunye Beverages, launched a new retail alcohol brand, Spotted Horse, its first product. Simunye Beverages also successfully concluded agreements for the purchase of the Explorer brands which include rum, gin and vodka. Whilst the transaction itself was concluded it is subject to regulatory approval by the Competition Commission. *(For more on ethanol, see page 64.)*

Healthier soil and water

We continue in our commitment to manage our natural resources to the benefit of our business, our environment and the communities that live and work within it. To this end, we have appointed a soil health expert whose mandate is to enhance the quality of our crop through soil improvements.

54 In addition, we accomplished significant steps in effluent treatment during the year, with the installation of reed beds to ensure that water that we return to the environment is of better quality than what comes to us from the river systems. *(For more on water management, see page 54.)*

Working with our communities

We are proud of our CSI initiatives, which continued to bring benefits to our communities during the year under review. The Asset-Based Community Development (ABCD) programme which we have initiated has been greatly appreciated by our fenceline communities. This novel approach enables our community beneficiaries to list their assets so that whichever support is brought to bear can utilise those assets in a directed and efficient way.

Our annual Golf Day continues to be successful in raising funds for positive contributions for, among others, beneficial water projects.

87 In addition, we continued to work with the Vuvulane community to finding ways in which they can articulate their land for expansion needs, which can then be presented to His Majesty the King for approval. *(For more on our CSI, see page 87.)*

Looking ahead

RES is a commodity-producing company, it will inherently pass through cyclical periods of positive and negative performance because of global fluctuations caused by the complex interaction of various geo-political and economic factors.

Thus, in the short term, the outlook of necessity will be one of caution, as global issues such as conflicts in Ukraine and the Middle East threaten supply chains and material resources such as oil and fertilisers.

In the medium to long term, however, we anticipate that as stability is regained, these challenges should begin to recede. We see energy, sugar prices and ethanol utilisation as being key focus areas, with, for example, ethanol becoming important for jet fuel production.

Acknowledgments

I would like to thank our workforce for their diligence and commitment – they are the people whose efforts enable us to accomplish what we do. Without their loyalty and determination, our results would have been significantly less satisfactory than they have been.

My thanks also go also to my management team for their dedication and willingness to spend long hours away from homes and families in order to help us overcome the challenges we faced during the year.

I would like to express my great appreciation for the work of our Chairman and the Board for their guidance, understanding and trust in management to turn around the disappointments of what has been a most difficult year.

Finally, I would like to thank our government for its willingness and assistance in helping to smooth relations between RES and the South African authorities in line with commitments in Southern Africa Customs Union. Without their efforts, trading would have been much more challenging.

N.M Jackson
Managing Director

5 Who We Are

A growing story over seven decades

1950s

1955

- Commonwealth Development Corporation (CDC) undertakes sugarcane trials at Mhlume
- Mhlume (Swaziland) Sugar Company Limited registered as a sugar factory and cane estate

1957

Komati River Barrage, with an 88km gravity canal, commissioned to provide the required irrigation, known as Mhlume Water, with the system managed by Inyoni Yami Swaziland Irrigation Scheme (IYSIS)

1958

Mhlume Sugar Estate incorporated

1960s

1960

Mhlume Mill commissioned with a production capacity of 90 tonnes cane per hour (tc/hr)

1966

CDC assumes sole ownership of Mhlume (Swaziland) Sugar Company Limited

1970s

1973
Tibiyo TakaNgwane, in conjunction with CDC, carries out a pre-investment study for the expansion of sugar production

1975
A third mill is planned by Tate and Lyle Technical Services Limited, which enters into partnership with the Swaziland Government and Tibiyo TakaNgwane

1977
His Majesty King Sobhuza II, OBE, Ingwenyama of Swaziland, acquires 50% of the share capital of Mhlume in trust for the Swazi nation

1978
The Ingwenyama names the third mill Simunye Sugar Estate

1979
The Royal Swaziland Sugar Corporation Limited (RSSC) is created as a joint venture between the Swaziland Government and Tibiyo TakaNgwane, with the agreement to subscribe for E40.l million of equity share capital

1980s

1980
Simunye Sugar Mill, capable of producing 120 000 tonnes of sugar per annum, is commissioned

1990s

1992
RSSC is listed on the Swaziland Stock exchange

1995
The Distillery is commissioned

2000s

2001
RSSC acquires Mhlume (Swaziland) Sugar Company Limited

2002
A new, enlarged RSSC Group is launched, employing more than 3 500 permanent staff and producing two thirds of Swaziland's sugar

2004
Mananga Sugar Packers is established at Mhlume Mill as a joint venture between RSSC and TSB Sugar

2007
Distillery expansion is commissioned to utilise all Mhlume and Simunye molasses in order to increase its notional capacity to more than 32 million litres of ethanol per year

2009
Acquisition of 50% interest in the IYSIS partnership by RSSC at a cost of E46 million

2010s

2011
Installation of the 30MW turbo alternator at the Simunye mill, at a cost of E120 million

2012
- RSSC acquires a 25% shareholding in Quality Sugars (Pty) Limited
- Purchase of Swazican Citrus lease at IYSIS and the conversion of 600ha from citrus to cane, thereby increasing cane and sugar production

2014
Integration of RSSC information systems into SAP in line with global best practice

2017
Phase 1 of the Integrated Growth Programme begins

2018
Mhlume factory expansion Phase 1 completed, and Phase 2 begins, preparing the mill to crush additional cane from new cane areas

2019
Phase 2 of the Integrated Growth Programme completed during the off-crop (April)

2020s

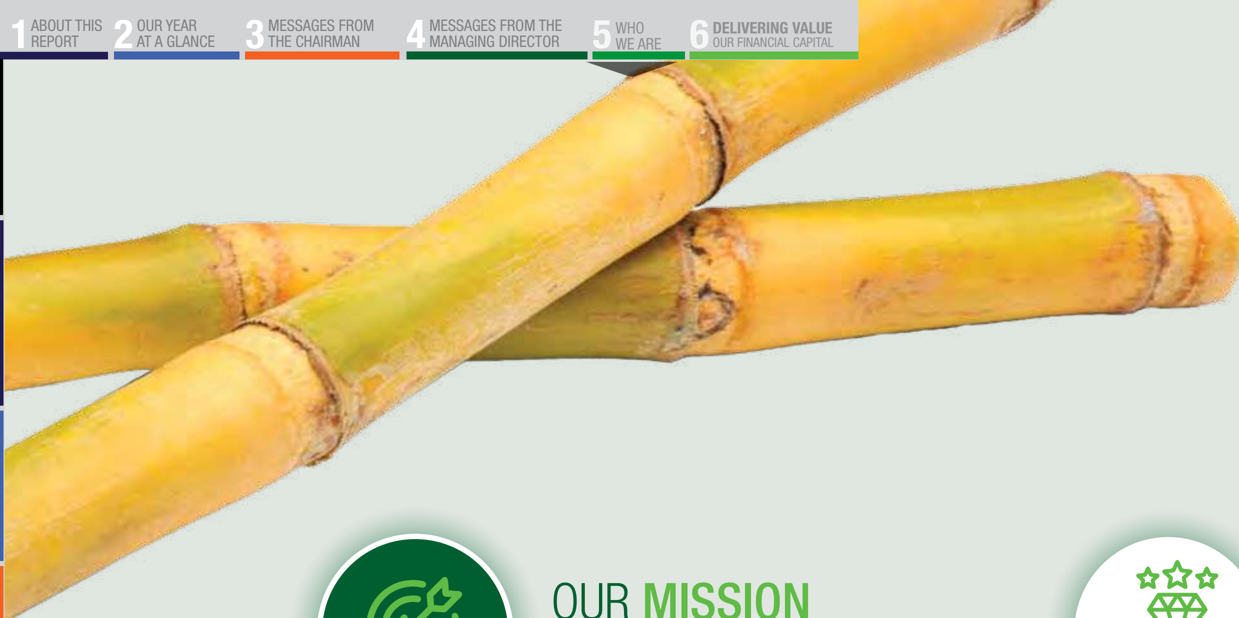
2020
Royal Swaziland Sugar Corporation changes its name to Royal Eswatini Sugar Corporation, expressed in a newly designed logo as RES Corporation

2021
A resilient performance is returned despite Covid-19, with a record crop, record short crushing season and second highest financial results ever for the Corporation

2023
RES acquires the remaining 50% of the IYSIS partnership, thereby fully transferring IYSIS operations into RES

2024
On 1 April 2024, the Group transfers the Mhlume Sugar Company Limited assets and liabilities to The Royal Eswatini Sugar Corporation Limited as a going concern. This initiative is aimed at:
- Reducing administrative burdens such as the number of tax filings under all tax statutes
- Driving efficiencies from the consolidation of activities such as procurement through a single entity and fewer bank accounts

2025
- RES kicks off the building of the Mhlume Solar PV Facility
- Establishment of Simunye Beverages, a subsidiary of RES to engage in the branded retail alcohol industry



OUR MISSION

We are an agri-business that competitively and sustainably adds value for all stakeholders

OUR VISION

Leading Africa's future in sustainable sugar and renewable products

OUR VALUES

INTEGRITY
We conduct ourselves in an honest, fair and open manner in all our dealings

RESPECT
We respect, value and care for each other

DELIVERY
We meet our targets and deadlines

OUR OPERATING ENVIRONMENT

Global economic and social drivers and indicators

In 2025 the global economy experienced slower growth, in response to changes in international geopolitical dynamics expressed in trade policies, international tensions, and inflation.

While advanced economies faced significant challenges, emerging markets nevertheless reflected a degree of resilience.

PESTLE **analysis** describing **political, economic, social, technological, legal** and **environmental** developments globally during the year

Category	Element	Global implications	Implications for RES	Impacted Capitals
Political	• Continued instability involving Russia-Ukraine, the Middle East, and strategic competition between the US and China • Increased tariffs, sanctions, and export controls	US unpredictability – led to stressed alliances and trade relationships	Rising costs and supply chain bottlenecks	
Economic	• Persistent inflation and high interest rates • Slower global growth • AI-driven productivity transformation • Supply chain restructuring • Energy transition investment	• Multilateral trade systems undermined • Inflation conflicting with growth sustainability	• Knock-on effects for developing economies • Rising unemployment tied to poverty and community difficulties • Lower revenues and thus profitability and cash generation	
Social	• Demographic shifts with ageing populations in developed economies and younger, faster-growing populations in Africa and South Asia • Changing workforce expectations • Rising inequality and polarisation • Misinformation and digital trust issues	• Increasing pressure to cater to changing perceptions • Need for business to address worker physical and mental health • Institutional trust and cohesion under threat	• Wellness integral to productivity • Employee expectations influencing workplace efficiencies	
Technological	• Rapid AI expansion with generative AI transforming education, finance, healthcare, among others • Cybersecurity threats	• Concern over job relevance and availability • Digital economy open to manipulation and abuse	• Increased workplace and community uncertainty • Exposure to cyber threats • Improved technologies for better efficiencies	
Legal	• AI regulation with governments introducing rules on AI transparency, privacy, copyright, and accountability • Evolving regulatory landscape, such as Data privacy laws • ESG and sustainability disclosure requirements	• Diverging legal landscapes on AI, ESG, and data require business response • Policy increasingly conforming to identity and freedom of speech rights	Increasing need and costs for diligent compliance	
Environmental	• Climate change impacts with extreme weather, droughts, floods, and heatwaves increasingly affecting economies and infrastructure • Energy transition acceleration • Pressure for decarbonisation • Resource scarcity	Policies and investment needing to align with clean technology adoption	Business opportunities in alternative energy and production infrastructure	

Domestic economic and social drivers and indicators

Trend/driver
Real GDP growth
4% above the ten-year average of 2.5%

Trend/driver
Inflation
3.1% (2024: 4.0%)

Trend/driver
Key growth drivers
Manufacturing, services

Trend/driver
Monetary Policy
Aligned with South African Reserve Bank (SARB)

Trend/driver
Budget deficit
Widened, to ~ **6.3%** of GDP, more than double the planned 3.1%

Trend/driver
Key projects
Investments in infra-structure – roads, water systems, and energy projects including Mpakeni Dam

Trend/driver
Key challenges
- **21%** decline in Southern African Customs Union (SACU) revenues
- Dependence on SACU revenues, comprising ~ **40%** of government funds
- Severe flooding into 2026, impacting logistics and agriculture
- Shrinking current account surplus to **0.5%** of GDP from 2.1% in 2024
- Ongoing foot and mouth outbreak
- Middle East and Ukraine conflicts, exacerbating fuel prices, risking higher food prices and food insecurity

PESTLE analysis describing **political, economic, social, techno-logical, legal** and **environmental** developments in Eswatini during the year

Category	Element	Impact on RES	Related Strategic Objectives	Impacted Capitals
Political	• The US has deported individuals to Eswatini, indicating ongoing diplomatic agreements, including more favourable trade tariffs • Political stability, fostering business operations and foreign investment	• Improving business conditions • Enhancing investor confidence	Secure Cost-Effective Funding	Financial, Manufactured
Economic	• Eswatini is a lower-middle-income, developing economy • As a member of SACU. Eswatini primarily trades with South Africa	• Opportunities in product diversification • Access to SACU markets	• Financial sustainability through diversified revenue • Local, National & African Economic Engine • Expand our core production capacity	Financial, Manufactured
Social	• Poverty remains widespread despite improvements in access to basic services • More than half of the population lives below the lower income country poverty line • Income inequality remains high • High unemployment, at 35.4% in 2023 • Education levels and health-care access impact workforce quality	• Need for up-skilling and training • Employee health and wellness requires infrastructure and facilities • Careful stakeholder management • Well-considered CSI planning and implementation	• Socio-Economic & Environmental Sustainability Leader • Maximize our Economic & Social Impact	Human, Social and Relationship
Technological	• Investment in technology and infrastructure is essential for economic growth • The level of technology adoption in businesses affects operational efficiency	• Innovation required to reduce production costs • Opportunities in alternative energy options	• Strengthen our diversification skills and capabilities • Develop an innovation culture • Turnaround Operational Efficiencies	Financial, Manufactured, Human, Natural
Legal	• Evolving regulatory landscape	• Compliance with laws and regulations is vital for business operations • Employment regulations influence workforce management and business practices	• Develop a safe, trust-based & high-performance culture • Socio-economic & Environmental Sustainability Leader	Financial, Intellectual, Human
Environmental	• Sustainability focus with a growing emphasis on sustainable practices in business operations • Varied climate and climate change affects agricultural practices and resource management	• An increasing emphasis on sustainable practices and environmental regulations • Exploring opportunities in energy and natural resource savings	Minimise our Environmental Footprint	Manufactured, Natural

OUR COMPETITIVE MARKET

Sugar

While we are for the most part not situated within a competitive sales market due to the sugar we produce being sold by Eswatini Sugar, Mananga Sugar Packers nevertheless markets sugar domestically under our own brand, and sells product in South Africa through Quality Sugars.

19 65

Ultimately, however, we remain subject to the variations and dynamics of the global and regional markets. *(For more on our operating environment, and Mananga Sugar Packers, see pages 19 and 65.)*

Ethanol

14 64 67

Certain challenges regarding pricing were encountered during the year under review. *(For more on retail ethanol marketing, see the Message from the Managing Director on page 14, as well as under Ethanol, and Marketing and Logistics on pages 64 and 67.)*

OUR PLACE IN THE VALUE CHAIN

We are an agricultural and agro-processing business…

Our focus is on agri-based products

- Land under cane 52
- Outgrowers.................. 56
- Factories...................... 62
- Livestock and Game 59

… that competitively…

We strive to be an efficient low-cost producer

- Domestic markets
- SACU markets
- World markets

…and sustainably…

Secure our future and mind our impact

- Energy conservation and generation 73
- Water and environmental stewardship.................. 91

adds value…

Focusing on what matters

- Unit cost
- Community support...... 87
- Health and Wellness..... 81

…to all stakeholders

Satisfying the needs of our employees, shareholders and stakeholders

From cane to customer

Our integrated value chain transforms agricultural potential into sustainable financial and social value.

Our Shareholders

Tibiyo Taka Ngwane *in trust for EmaSwati*

51 173 160

53.1% SHARES

TSB Sugar International (Pty) Ltd

27 656 931

29.2% SHARES

Nigerian Government

9 634 800

10.0% SHARES

Eswatini Government

6 262 511

6.5% SHARES

Other Miscellaneous Shareholders

1 618 981

1.2% SHARES

Our Investment Portfolio

100%
Simunye Beverages (Pty) Ltd

100%
Royal Swazi Distillers (Pty) Ltd

25%
Simunye Plaza (Pty) Ltd

50%
Mananga Sugar Packers (Pty) Ltd

100%
Swazican Citrus (Pty) Ltd
(Dormant)

25%
Quality Sugars

35%
Enviro Applied Products (Pty) Ltd

100%
Mhlume Sugar Company Limited
(Dormant)

Office of Strategy Management & Risk Division

Drives strategy execution and enterprise-wide risk management.

Key responsibilities:
- Strategic planning and performance monitoring
- Enterprise risk management
- Business continuity management
- Integrated Management Systems
- Performance reporting
- Transformation initiatives
- Long-term business sustainability

Governance, Risk & Compliance Division

Provides independent oversight to promote ethical conduct, regulatory compliance and sound corporate governance.

Key responsibilities:
- Corporate governance
- Compliance management
- Policy framework management
- Internal control oversight
- Ethics and integrity programmes
- Regulatory liaison and assurance

Finance Division

Provides financial stewardship, capital management and business performance oversight.

Key responsibilities:
- Financial planning and reporting
- Treasury and cash management
- Budgeting and forecasting
- Procurement governance
- Capital investment evaluation
- Tax and financial compliance

Human Capital Division

Develops and manages the Company's workforce to support strategic and operational objectives.

Key responsibilities:
- Talent acquisition and retention
- Learning and development
- Performance management
- Employee wellness
- Labour and industrial relations
- Organisational development

Information Technology Division

Enables digital transformation and provides technology solutions that support business operations.

Key responsibilities:
- Enterprise systems management
- Cybersecurity and information governance
- Technology infrastructure
- Data analytics and business intelligence
- Digital innovation and automation
- IT service delivery

Public Affairs Division

Manages stakeholder relations and community-focused services while safeguarding the corporate reputation.

Key responsibilities:
- Corporate communications
- Stakeholder engagement
- Corporate social responsibility (CSR)
- Property services (housing and sanitation)
- Hospitality services
- Livestock and game management
- Brand and reputation management
- Schools management

Agriculture Division

Responsible for the cultivation, development, and harvesting of sugarcane to ensure a sustainable and reliable supply of quality cane to the business.

Key responsibilities:
- Sugarcane production and husbandry
- Harvesting operations
- Irrigation and land management
- Agricultural research and productivity improvement
- Grower support and sustainability initiatives

Manufacturing Division

Responsible for processing sugarcane into sugar and related products through efficient and safe milling operations.

Key responsibilities:
- Sugar milling and production
- Production planning and optimization
- Quality assurance and food safety compliance
- Process improvement and operational excellence
- Environmental and operational compliance

Commercial Division

Responsible for the production, marketing, sales, distribution and business development of ethanol and ethanol-based products.

Key responsibilities:
- Procurement and materials management
- Inbound value chain management
- Sugar Industry interphase
- Business development
- Ethanol production
- Ethanol sales and marketing
- Product portfolio development
- Customer relationship management
- Market expansion and business development
- Revenue growth and commercial strategy

Engineering Services & Projects Division

Provides engineering expertise, maintenance services, electricity distribution, efficiency improvement, infrastructure support and capital project execution across the business.

Key responsibilities:
- Preventative and corrective maintenance assessment
- Asset reliability and optimization
- Capital project management
- Infrastructure development
- Technical support and engineering innovation
- Electricity distribution and efficiency improvement

Employees | Government and regulators | Shareholders | Strategic partners | Customers | Trade unions
Suppliers | Outgrowers | Host communities | Media | Civic associations | Eswatini business sector

Managing our stakeholder relationships

We recognise that the needs of our stakeholders form an integral part of the way we strategise and implement our business activities. The management of our engagement with them is therefore an important part of our intellectual, human and social and relationship capitals.

Our stakeholder engagement strategy

In the pursuit of operational excellence, engaging with our stakeholders we have established:

- A stakeholder engagement strategy and plan
- A Planning and tracking dashboard
- An annual stakeholder perception survey

For a deeper understanding of our stakeholder groups, we have defined them according to segments:

Stakeholder Segment	Stakeholder Group
Enabling	• Shareholders • Strategic partners
Normative	• Government regulatory authorities
Functional input	• Employees • Organised labour • Outgrowers • Suppliers
Functional output	• Host communities • Customers
Diffused	• Media • Civic associations • Eswatini business sector

Key Stakeholder Engagement Matrix

Perspective key: ENABLING | NORMATIVE | FUNCTIONAL INPUT | FUNCTIONAL OUTPUT | DIFFUSED

Engagement Frequency: ANNUAL | BI-ANNUAL | QUARTERLY | MONTHLY | ONGOING

Status Key: POSITIVE | STABLE | NEUTRAL

SHAREHOLDERS

What value means for this stakeholder
- Return on investment
- Corporate governance
- Maximum sustainability
- Economic and social impact

Engagement objectives
- Support for capital investments required
- Demonstrate good governance through the achievement of governance outcomes set out in King Reports
- Show evidence of Economic and Social Impact
- Alignment of management actions and shareholder interests
- Fostering accountability and transparency,
- Decision-making on key issues
- Opportunity for education on company matters

Engagement plan/action
- Annual General Meeting
- Integrated Report
- Sustainability Report

- Statutory Press Releases

Engagement channel
- Shareholders' meetings
- Statutory Notices
- Financial Results
- Integrated/Sustainability Reports
- Ongoing communications: in person, via email

- Statutory Publications

Desired outcome
- Better understanding of business operations
- Enhanced relationships and Shareholder goodwill
- Feedback that informs company's strategy
- Appreciation of shareholders' diverse views on company operations and governance
- Increased investors' confidence in management of the company

Related risks
- Negative impact of climate extremes on company performance
- Social and economic demands by fenceline communities (Social licence to operate)

- Third party commercial and reputational risks

Key Stakeholder Engagement Matrix

Perspective key: ENABLING | NORMATIVE | FUNCTIONAL INPUT | FUNCTIONAL OUTPUT | DIFFUSED

Engagement Frequency: ANNUAL | BI-ANNUAL | QUARTERLY | MONTHLY | ONGOING

Status Key: POSITIVE | STABLE | NEUTRAL

STRATEGIC PARTNERS

What value means for this stakeholder
- Mutually beneficial partnerships with RES on innovation, production capacity
- Diversification skills and capabilities
- Data-led decision making

Engagement objectives
- Pursue strategic commercial, financial, technical, research and academic partnerships to advance innovative production approaches
- Access world-class skills and capabilities
- Improve data-led decision making
- Promote industry thought-leadership

Engagement plan/action
- Identify potential strategic partnerships
- Obtain Board approval for strategic partnership plans
- Prepare MoUs for discussion and negotiation
- Media stories about innovation and research

Engagement channel
- Business Development Strategy

Desired outcome
- New strategic commercial, financial, technical, research and academic partnerships formed

Related risks
- Third party commercial and reputational risks

GOVERNMENT AND REGULATORS

What value means for this stakeholder
- Good corporate citizen
- Local economic engine
- Legal compliance
- Sustainability leadership

Engagement objectives
- Legal and policy compliance and risk management
- Show good governance and ethical operations through clean audit reports
- Show evidence of economic and social impact
- Demonstrate progress on sustainability goals and social and economic development impact
- Obtain licenses and approvals for new shoots diversifications areas: renewable energy and ethanol

Engagement plan/action
- Meetings and courtesy calls with PM and Ministers as required
- Business tours of operations

Engagement channel
- In person meetings
- Business tours

Desired outcome
- Demonstrate good corporate citizenship, compliant with all laws and policies
- Minimising environmental impact as a sustainability leader
- Partnering with government to make a positive economic and social impact in the country
- Acquiring legislative, policy and regulatory support to obtain licences and approvals for new business areas of renewable energy and ethanol
- Reaffirm RES as an ethical employer, creating 4 000+ jobs, supporting small businesses and securing livelihoods and social prosperity for the people of Eswatini

Related risks
- Limited partnership pipeline
- Political instability
- Licensing delays
- Country's' economic standing

Key Stakeholder Engagement Matrix

Perspective key: ENABLING | NORMATIVE | FUNCTIONAL INPUT | FUNCTIONAL OUTPUT | DIFFUSED

Engagement Frequency: ANNUAL | BI-ANNUAL | QUARTERLY | MONTHLY | ONGOING

Status Key: POSITIVE | STABLE | NEUTRAL

EMPLOYEES

What value means for this stakeholder
- Fair employment
- Trust-based high performance culture
- Career growth
- Psychological safety and well being

Engagement objectives
- Improve employee engagement and motivation.
- Create a high-performance and innovation culture.
- Turn around the perceptions of a toxic corporate culture to one of psychological safety, wellbeing and trust.
- Ensure the physical safety of employees

Engagement plan/ action
- People centric HC strategy and plans
- Employee value proposition communication plan roll-out
- Culture Change strategy continuation

Engagement channel
- Employee walk-ins
- Scheduled organised labour in-person meeting
- Management meetings
- Industrial relations committee

Desired outcome
- Loyal, motivated and engaged employees
- Attraction and retention of talent
- Safe and trustworthy
- High-performance culture

Related risks
- Labour tensions and unrest
- Perceived toxic culture
- Unification disputes
- CoL complaints
- Seasonal worker recognition disputes

ORGANISED LABOUR

What value means for this stakeholder
- Collaborative labour relations
- Respect and empowerment
- Fair cost-of-living adjustment

Engagement objectives
- Improve employee engagement and motivation.
- Create a high-performance and innovation culture.
- Turn around the perceptions of a toxic corporate culture to one of psychological safety, wellbeing and trust.
- Ensure the physical safety of employees

Engagement plan/ action
- Rules of engagement
- Social partners relationship charter

Engagement channel
- People centric HC strategy and plans
- Employee value preposition communication plan roll-out
- Culture Change strategy continuation
- Employee walk- ins
- Scheduled Organised Labour in person meetings
- Management meetings
- Industrial relations committee

Desired outcome
- Collaborative relationships
- Empowered union leadership
- Unified agreements
- No unprotected strike actions

Related risks
- Labour tensions and unrest
- Perceived toxic culture
- Unification disputes
- CoL complaints
- Seasonal worker recognition disputes

Key Stakeholder Engagement Matrix

Perspective key: ENABLING | NORMATIVE | FUNCTIONAL INPUT | FUNCTIONAL OUTPUT | DIFFUSED

Engagement Frequency: ANNUAL | BI-ANNUAL | QUARTERLY | MONTHLY | ONGOING

Status Key: POSITIVE | STABLE | NEUTRAL

OUTGROWERS

What value means for this stakeholder
- Collaborative prosperity
- Improved quality standards
- Expanded production capacity

Engagement objectives
- Maintain collaborative business partnerships
- Technical services support

Engagement plan/action
- Routine technical services support
- Training/workshops
- Programme to address social issues

Engagement channel
- Routine technical services support
- Training/Workshops
- Programme to address social issues

Desired outcome
- Shared value partnerships
- Display commitment and dedication to the prosperity and wellbeing of Outgrowers

Related risks
- Inequality amongst growers
- Quality standards gaps

SUPPLIERS

What value means for this stakeholder
- Strong partnerships
- Operational efficiencies
- Expanded production capacity

Engagement objectives
- Engagement and partnerships with suppliers to develop and improve quality standards to:
- Advance innovative production approaches
- Access world-class skills & capabilities
- Improve data-led decision-making
- Supplier development plans to improve operational efficiency and expand core production capacity

Engagement plan/action
- Improved service development plans
- Supplier development plans
- Periodic supplier audits

Engagement channel
- Improve service quality and standards of suppliers – SLAs
- Share RES performance information and plans to improve reputation and trust
- Supplier capacitation workshops

Desired outcome
- Affirm RES position as a world-class company to partner with
- Sustainability leader locally
- Significant social and economic development impact in Eswatini
- RES being an innovator in the sugar industry
- Confidence in RES as an ethical company to do business with

Related risks
- Supplier dependency
- Quality standards inconsistencies
- Operational inefficiencies

FENCELINE COMMUNITIES

What value means for this stakeholder
- Social development
- Poverty alleviation
- Water sanitation access

Engagement objectives
- Address increasing levels of poverty
- Curb criminal activities within shared environment
- Land tenure matters effectively addressed and concluded

Engagement plan/action
- Asset-based community development (ABCD) activations
- Community outreach projects and programmes
- Vuvulane land project
- Relocated communities' resolution plan

Engagement channel
- ABCD forums
- Programmes and community projects support
- Vuvulane Land Project Subcommittee meetings
- Relocated communities committee forum
- Crime prevention forums
- Annual RES management and community leadership engagement

Desired outcome
- RES is a trusted partner for social and economic development with these communities
- RES is an ethical employer, creating 4 000+ jobs, supporting small businesses and securing livelihoods and social prosperity for the local communities
- RES is minimising its environmental impact as a sustainability leader
- Land tenure matters adequately resolved
- Enforcement of land governance structures

Related risks
- Increasing community demands and expectations
- Crime and security
- Land-related conflicts

Key Stakeholder Engagement Matrix

Perspective key: ENABLING | NORMATIVE | FUNCTIONAL INPUT | FUNCTIONAL OUTPUT | DIFFUSED

Engagement Frequency: ANNUAL | BI-ANNUAL | QUARTERLY | MONTHLY | ONGOING

Status Key: POSITIVE | STABLE | NEUTRAL

CUSTOMERS

What value means for this stakeholder
- Product excellence, innovation and competitive pricing
- World-class agricultural and manufacturing standards

Engagement objectives
- Address product volumes and quality requirements
- Improve customer value
- Industry development
- Industry thought leadership
- Innovate products and services
- Showcase world class agricultural and manufacturing standards

Engagement plan/action
- Continue to deliver great products to customers at the best quality and price
- Pursue new customers for our diversified products

Engagement channel
- Implement world-class customer relationship management

Desired outcome
- RES meets world-class agricultural and manufacturing standards
- RES is minimising its environmental impact as a sustainability leader

Related risks
- SACU market dependencies
- Global sugar reduction health regulations

MEDIA

What value means for this stakeholder
- Transparency
- Positive corporate narrative
- Proactive communication on performance and impact

Engagement objectives
- Ensure good relationships with local and international media
- Proactive media management plan, with regular positive messaging on company performance, CSI programmes and economic contribution locally

Engagement plan/action
- Annual event
- Media Briefings
- Media monitoring service

Engagement channel
- Media tours
- Integrated Report and ESG Report
- Media stories about innovation and research

Desired outcome
- Positive brand value, reputation and trust
- Local, National and African economic engine
- Transparent, responsive and proactive media partner

Related risks
- Negative media campaigns
- Reputational risks from unresolved issues

ESWATINI BUSINESS SECTOR

What value means for this stakeholder
- Economic partnership
- Industry thought leadership
- Commercial value creation, innovation

Engagement objectives
- Pursue strategic partnerships to advance innovation and diversification strategy
- Show industry thought-leadership
- Assist the business to identify opportunities and unlock commercial value

Engagement plan/action
- Business development forums
- Participate/Thought leadership within industry
- Investor relations management

Engagement channel
- Lubombo Business Development Initiative
- Industry alliances
- Integrated and ESG Reports
- Investor briefings

Desired outcome
- Strategic partnerships to advance innovation and diversification
- Industry thought-leadership
- Local economic development

Related risks
- Competition, reputational risks
- Limited Lubombo business ecosystem development

Key Stakeholder Engagement Matrix

Perspective key: ENABLING | NORMATIVE | FUNCTIONAL INPUT | FUNCTIONAL OUTPUT | DIFFUSED

Engagement Frequency: ANNUAL | BI-ANNUAL | QUARTERLY | MONTHLY | ONGOING

Status Key: POSITIVE | STABLE | NEUTRAL

CIVIL SOCIETY

What value means for this stakeholder
- Social licence to operate
- Community partnerships, sustainability leadership
- Ethical employment and operations

Engagement objectives
- Create community-based partnerships to involve vulnerable groups in CSI projects
- Monitor landscape for possible opposing agendas and proactively manage

Engagement plan/action
- Inclusive community based forums (ABCD)
- Maximise our economic and social impact
- Minimise our environmental footprint

Engagement channel
- Community forums
- CSI projects
- Environmental Initiatives

Desired outcome
- RES is making a huge social and economic development impact in Eswatini
- RES is making a positive economic and social impact, for the benefit of all the people of Eswatini
- RES is an ethical employer, creating 4 000+ jobs, supporting small businesses and securing livelihoods and social prosperity for the people of Eswatini
- RES is minimising its environmental impact as a sustainability leader

Related risks
- Negative agendas from interest groups
- Social licence threats
- Reputational risk from civic activism

At the heart of our operations lies a thriving community supported by productive agriculture, reliable infrastructure, and responsible resource management.

Together, these foundations enable sustainable growth and long-term value creation for all our stakeholders

OUR APPROACH TO MATERIALITY

Our approach to materiality is a key component of our intellectual capital, allowing us to identify and understand those matters that have the capacity to impact our ability to create value sustainably over the short, medium and long term.

Our top five material matters

In determining our material matters, we adhere to the process of **Double Materiality**

Financial materiality

Impact our ability to generate revenue and preserve shareholder value over time

1 Sugar Markets

Business performance and profitability are significantly influenced by:

- Fluctuations in global and regional sugar and ethanol prices
- Foreign exchange movements
- Trade-related tariffs

2 Climate Change

Increasing temperatures, changing rainfall patterns, droughts, floods, and extreme weather events have the potential to affect sugarcane yields, irrigation requirements, production efficiency, and overall business sustainability, and have a direct impact on:

- Agricultural productivity
- Water availability
- Crop resilience
- Operational continuity

3 Energy

Sugar production and agricultural operations significantly depend on reliable and cost-effective energy sources, with rising energy costs, operational efficiency requirements, and an increasing focus on energy security continuing to influence:

- Operational performance
- Production costs
- Sustainability outcomes

Impact materiality

Our impact on society, communities and the environment

4 Water

Sugarcane production and processing operations depend upon sustainable water availability and quality. Responsible water stewardship continues to make effective water management a key operational and sustainability priority in the face of challenges from:

- Increasing climate variability
- Water resource pressures
- Stakeholder expectations

5 Soil Health

This directly impacts:

- Agricultural productivity
- Cane quality
- Long-term land sustainability
- Resilience against climate-related challenges

MANAGING RISK

Identifying risk is central to the sustainable management of the Corporation. As such, it forms a key part of our financial and intellectual capitals.

Our approach to risk management

During the year under review, we focused on:

- Reviewing our Enterprise Risk Management Framework (ERMF) to ensure a structured and integrated approach to identifying, assessing, and managing risks across the organisation
- Establishing a Risk Appetite and Tolerance Framework to provide clear parameters for decision-making and to align risk-taking with our strategic objectives

Identifying risks

The process of identifying risks is a fundamental part of our ERMF, governed by well-defined and interdependent components.

During the year under review, risk management continued as a standing agenda item at both Board and Risk, Social and Ethics Committee level, with formal annual risk register reviews conducted. Management accountability for specific risks is clearly assigned, and risk owners provide updates on the status of mitigating actions during periodic review cycles.

Our risk identification process

Inputs
- Stakeholder engagements
- Industry benchmarking
- External risk reports
- Regulatory monitoring

Top-down strategic assessments conducted by executive management

Bottom-up operational risk reviews carried out by business unit leaders

Assessed for:
- Threat
- Opportunity

Risk identifying process

Escalated, when material, for

Oversight by:
- Board
- Risk, Social and Ethics Committee

96

Our Top 10 Risks

Risk ranking declined YoY | Risk ranking rose YoY | High residual risk rating | Medium residual risk rating

Financial Capital | Natural Capital | Manufactured Capital | Human Capital | Intellectual Capital | Social and Relationship Capital

1

(2025: 7)

Residual risk rating

FINANCIAL SUSTAINABILITY

The risk of financial instability due to adverse external factors such as macroeconomic volatility, climate disruptions, and geopolitical tensions, impacting profitability, liquidity and long-term sustainability

Risk mitigation measures and key controls

- Continuous financial planning, structuring, and control of operating and capital expenditure
- Ongoing cost optimisation activities across the business
- Ongoing diversification strategy
- Hedging strategy for revenues and financial instruments
- Proactive engagement with key stakeholders such as Financiers

Our Top 10 Risks - *continued*

Risk ranking declined YoY | Risk ranking rose YoY | High residual risk rating | Medium residual risk rating

Financial Capital | Natural Capital | Manufactured Capital | Human Capital | Intellectual Capital | Social and Relationship Capital

2 (2025: 2)

Residual risk rating

SUGAR MARKETS

The risk arising from sugar price volatility, market access constraints, and exchange rate fluctuations which may impact our profitability

Risk mitigation measures and key controls

- Diversified markets and constant exploration of new markets
- Forward contracts and pricing/ hedging of products and currency
- Input and influence on ESA's marketing strategy
- Bonsucro accreditation in order to attract new markets
- Product diversification strategy

3 (2025: 1)

Residual risk rating

EXTREME WEATHER CONDITIONS

The risk of extreme and adverse weather conditions due to climatic changes such as droughts, floods, hailstorms, windstorms, halting operations and affecting the cane quality and yields

Risk mitigation measures and key controls

- Implementation of the Mhlume 10 MW Solar PV farm - construction currently in progress, scheduled for full operation in August 2026
- Large-scale power generation project detailed feasibility study in progress
- Efficient execution of maintenance strategies and systems for RES's power generation
- Plants and network infrastructure
- Proactive participation and contributions towards national energy policies and direction
- Maintaining good and healthy stakeholder relations with relevant ministries, regulatory bodies and the EEC, the national utility

Our Top 10 Risks - *continued*

Risk ranking declined YoY | Risk ranking rose YoY | High residual risk rating | Medium residual risk rating

Financial Capital | Natural Capital | Manufactured Capital | Human Capital | Intellectual Capital | Social and Relationship Capital

4

(2025: 10)

Residual risk rating

ENERGY SECURITY AND RISING COSTS

The risk of escalating energy costs and supply instability due to the net energy deficit within the Southern African Power Pool (SAPP), and expected above-inflation tariff increases, threatening cost efficiency, budget predictability, and competitive positioning

Risk mitigation measures and key controls

- Implementation of the Mhlume 10MW Solar PV farm
- Large-scale power generation project detailed and bankable feasibility study - target self sufficiency with potential to export base load power to third parties
- Efficient execution of maintenance strategies and systems for RES's power generation plants and network infrastructure
- Proactive participation and contributions towards national energy policies and direction
- Maintaining good and healthy stakeholder relations with relevant ministries, regulatory bodies and the EEC

5

(2025: 6)

Residual risk rating

ORGANISATIONAL CULTURE

The risk of deterioration in organisational culture, limiting employee engagement, productivity, innovation, and organisational performance

Risk mitigation measures and key controls

- Organisational culture transformation initiative
- Annual culture engagement sessions (Crafting Sweet Moments Together)
- Continuous leadership development initiatives (coaching and training)
- Adoption of the Performance Management Philosophy (perform-to-grow)

6

(2025: 8)

Residual risk rating

EMPLOYEE SAFETY

The risk of declining or stagnant health and safety performance, leading to increased workplace incidents, injuries, and fatalities, which may result in operational disruptions and reputational damage

Risk mitigation measures and key controls

- Increased focus on leadership and supervisory effectiveness, including Visible Felt Leadership (VFL) interventions
- Launch of Fatal Risk Management and Ergonomics programmes
- Targeted safety campaigns to reinforce safety behaviours
- Application of consistent consequence management practices to reinforce safety standards

Our Top 10 Risks - *continued*

Risk ranking declined YoY | Risk ranking rose YoY | High residual risk rating | Medium residual risk rating

Financial Capital | Natural Capital | Manufactured Capital | Human Capital | Intellectual Capital | Social and Relationship Capital

7 (2025: 4)

Residual risk rating

PEST UPSURGES AND OUTBREAKS

An increase in pest and disease outbreaks, due to climate change, and the susceptibility of varieties to pests and diseases, impacting crop quality and yields

Risk mitigation measures and key controls

- Reduction of varieties that are susceptible to pests and diseases
- Integrated pest management
- Continuous monitoring of and response to pest and disease outbreaks, even at industry level
- Good agronomical practice
- Review and adjust the spray programme approach
- Increase soil health to improve crop health and plant resistance to pests and diseases
- Implement an aphid monitoring system

8 (2025: 5)

Residual risk rating

AGEING INFRASTRUCTURE

The risk of declining asset performance and reliability due to ageing, and/or insufficient lifecycle maintenance, resulting in production losses, increased downtime and higher operating costs

Risk mitigation measures and key controls

- Effective predictive maintenance assessment and maintenance execution strategy
- Accelerated allocation of capex to cane logistics operations facilitated in FY2025 and FY2026
- Adherence to replacement policy (Service Plans)
- Close monitoring of OPEX and CAPEX
- Comprehensive factories upgrade plan developed as part of feasibility and bankable study

9 (2025: 12)

Residual risk rating

CYBER-SECURITY RISK

The risk of cybersecurity breaches or attacks compromising our IT systems, operational technology and data integrity, leading to operational disruptions, data loss, regulatory non-compliance, financial loss, and reputational damage

Risk mitigation measures and key controls

- Good governance practices, including security governance
- Continuous roll-out of cyber security training to staff to create awareness
- Ongoing penetration tests
- Compliance with the Data Protection Act
- Monthly vulnerability assessments

Our Top 10 Risks - *continued*

Risk ranking declined YoY | Risk ranking rose YoY | High residual risk rating | Medium residual risk rating

Financial Capital | Natural Capital | Manufactured Capital | Human Capital | Intellectual Capital | Social and Relationship Capital

10

(2025: 9)

Residual risk rating

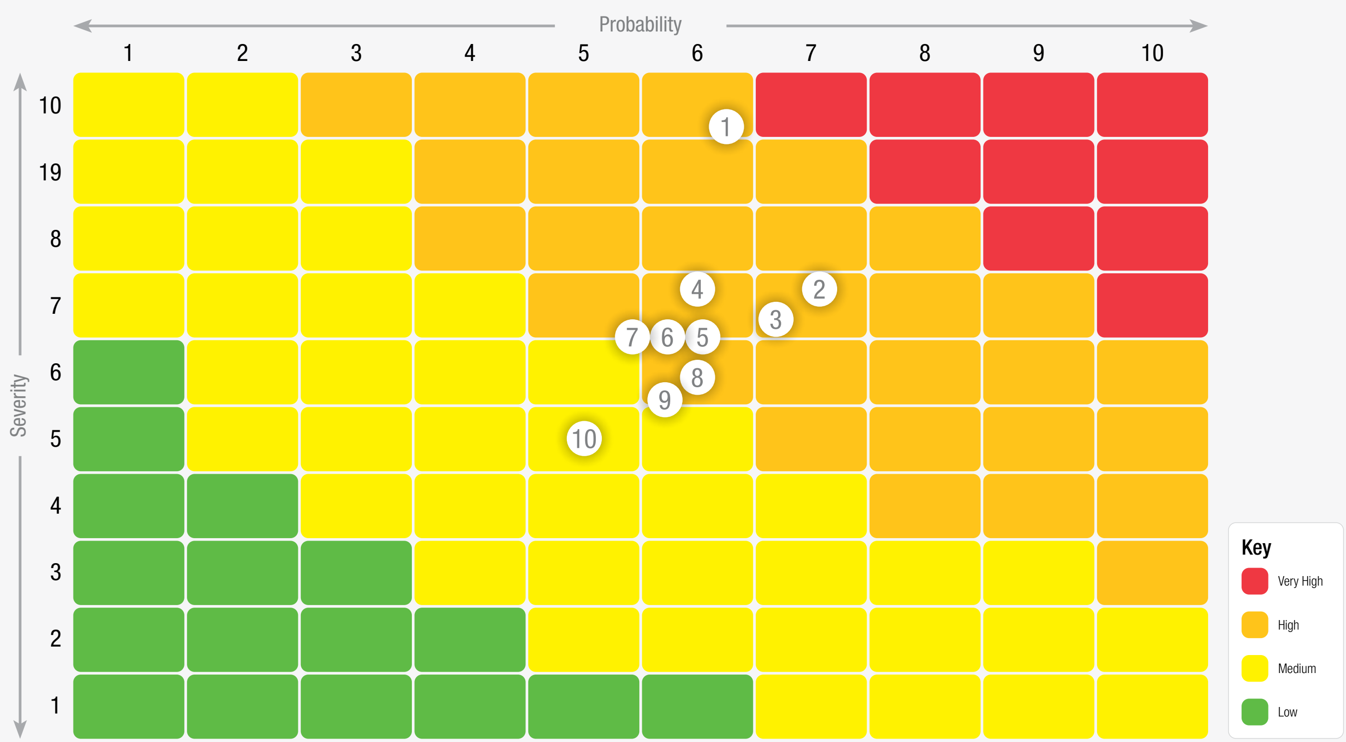
WATER SECURITY AND STORAGE

The inability to access sufficient quantities and quality of water for production operations due to climate-driven scarcity and inadequate water infrastructure, potentially resulting in operational disruptions and reduced production capacity

Risk mitigation measures and key controls

- Efficient irrigation systems
- Construction of holding dams
- Implementation of drought management strategy
- Implementation of real-time monitoring of river-flows
- Partnership with and lobbying government to invest in water solutions
- Water conservation, including water recycling

Our Risk Heat Map



OUR STRATEGY

Our strategy is a fundamental part of our financial and intellectual capitals. As such, it is not merely a roadmap for achieving our business goals, but also a testament to our commitment to long-term sustainability, and positive contribution to society and the environment. It reflects our collective ambition, detailing the strategic direction that will guide our decision-making between 2025 and 2030.

Four steps in developing our strategy

Review of mission, vision, values

- Validate purpose
- Define blueprint
- Evaluate belief system

The mission, vision, and values of the organisation continue to reflect our current and future business aspirations.

Environmental scan

- Mega trends
- Industry trends
- Open space input
- Surveys
- Leadership alignment

World sugar consumption continues to grow by around 1% per year, similar to global population growth, with sugar demand growth in Africa significantly higher.

World market for ethanol continues to grow and new opportunities present themselves in biofuels and other markets.

Unsustainable over-reliance on SACU market

Climate change threats, including:
- Droughts and floods
- Hailstorms
- Windstorms
- Extreme temperatures

Change agenda

- Strategic themes
- Strategic aspiration

Strategy translation

- Strategic objectives
- Strategic measures/KPIs
- Strategic initiatives

We are well positioned to take up a revenue-based approach to sustainability in the midst of the increased regulation and complexity that comes with global sustainability ambitions.

Digitised farming practices and precision agriculture techniques such as satellite imaging, drone utilisation, automation and advanced analytics, present opportunities for improving yields.

We already have power generation capabilities, positioning us well to become energy self-sufficient and able to explore new opportunities to export power to the national grid and beyond Eswatini borders.

Our two-pronged strategy

Dual strategy approach

Deep Roots
Siyasimama –
Driving growth through:
- Operational excellence
- Expansion of core business
- Securing our position as leaders in sugar and ethanol

New shoots
Siyenaba – Leveraging innovation and expansion, exploring:
- Pathways for growth
- Diversification of revenue streams
- Green energy

Simama Wenabe +2B 2030

Operational excellence
Efficient, cost effective and innovative in production of products, delivering maximum value for stakeholders

Diversification
Adding new products to our portfolio, beyond sugar and bulk ethanol

Sustainability impact
Reducing negative environmental footprint within our business operations, while maximising positive contributions to surrounding communities and ecosystems

Implemented through FOUR strategic **PERSPECTIVES**

Financial
How we create value for all stakeholders through effective resource use and improved financial performance

Stakeholder
How we satisfy the needs and requirements of our customers and stakeholders

Internal
Indicating the strategic levers or changes in core business processes that drive value creation for the organisation

Enablers
Factors or actions that support the achievement of an organisation's strategic objectives and performance targets

OUR INTEGRATED THINKING

Integrated thinking drives the management of the Corporation as well as our integrated reporting, with our value-creating business model comprehensively reflecting this approach.

OUR VALUE-CREATING BUSINESS MODEL

Our value-creating business model frames the way we create and deliver sustainable value to all our stakeholders, while strategically taking into account their needs. It integrates our capitals as inputs to our various divisions and functions and refers to them in its outcomes, while describing the business dynamic of our business units through the implementation of our strategy.

OUR VALUE-CREATING BUSINESS MODEL

Utilising our CAPITAL INPUTS

FINANCIAL
- E4.6 billion | Group revenue
- E73.6 million | LAT
- Investments in:
  - Royal Swazi Distillers
  - Mananga Sugar Packers
  - Simunye Plaza
  - Quality Sugars
  - Enviro Applied Products

NATURAL
- 23 375 ha | Land under cane
- 153 815 ML | Total water consumed
- Autonomous electricity generation
- 1 550 | Head of cattle
- 15 000 ha | Reserved for game

MANUFACTURED
- 3.2 million | Total cane crushed
- 412 410 | 96 Pol Sugar produced
- 25.9 million | Ethanol produced
- 2 Sugar mills | Simunye (VHP) and Mhlume (VHP+ Refined)
- 1 Distillery | 2 Distillation Plants

HUMAN
- 4 443 | employees
- E56 million | Skills and training spend
- Commitment to internal equity, wellness and safety
- 23% Females in senior management
- Employee Assistance Programme (EAP) services to 100% of employees
- Diligent workforce planning

INTELLECTUAL
- Soundly based strategy
- Entrepreneurial innovative integrated services culture
- Marketing campaigns
- IT processes and systems
- Market and data analysis
- Rigorous corporate governance
- Agricultural and manufacturing knowledge

SOCIAL AND RESPONSIBILITY
- Productive engagement with government
- Mutually beneficial supplier partnerships
- 145 | New supplier applications reviewed
- E2.3 billion | Value of tenders awarded
- E4.5 million | Employee training spend
- E2.4 million | Total CSI spend

Our three STRATEGIC THEMES

Operational Excellence

Diversification

Sustainability Impact

Delivering OUTPUTS

Impacting these STAKEHOLDERS

FINANCIAL
- E4.6 billion | Revenue
- E106.9 million | Operating loss
- E107.0 million | Cane growing loss
- E490.5 million | Sugar milling margin
- E25.5 million | Ethanol margin

NATURAL
- 23 375 ha | Total land under cane
- 158 815 ML | Total water consumed

MANUFACTURED
- 412 410 t | 96 Pol sugar produced
- 591 607 Kg | Beef produced
- 25.9 million litres | Ethanol distilled
- 62 million kWh | Total operations electricity
- 911 876 tCO_2e | Total Scope 1,2 and 3 emissions

HUMAN
- 56.6% | Internal recruitment
- 1.03% | Employee turnover
- Salary benchmarks
- Total rewards approach

INTELLECTUAL
- Simama Wenabe +2B Strategy
- Optimisation of SAP S/4HANA Public Cloud platform
- Adoption of AI capabilities
- SAP environmental health and safety
- Fuel management system upgrade

SOCIAL AND RESPONSIBILITY
- 163 | Significant tenders awarded
- Online auction platform
- Stakeholder management framework
- Asset-based Community Development (ABCD) programme
- Community development initiatives
- Sponsorships

Yielding OUTCOMES

FINANCIAL
- Adequate working capital made available for growth and efficiencies
- E309.8 | Capital expenditure
- E165.7 million | Expansion projects
- E62.2 million | Corporate tax paid

NATURAL
- Addressing of water-related impacts
- 155 000 ML | Total water withdrawal
- 10 967.9 tonnes | Total waste deposited in landfill
- 28 802 tonnes | Non-renewable fuel consumption
- 121 781 MWh | Total renewable energy consumption

HUMAN
- E56.1 million | Total training spend
- Fostering a motivated, qualified and upskilled workforce focusing on wellbeing, safety, fairness and excellence
- Talent management
- Organisational culture transformation
- Structured pay philosophy
- Training and employee advancement
- Beneficial relationship between employees and communities
- Implementation of prioritised future skills

INTELLECTUAL
- RES Data Management strategy, data management literacy
- SAP S4/HANA project completed in 2024
- Joule, a SAP native AI generative AI tool
- RES internally developed AI document reader for vendor statements reconciliation

SOCIAL AND RESPONSIBILITY
- E2.4 million | CSI spend
- Primary healthcare services to 100% of eligible employees and their registered dependents
- Sports sponsorships and fundraising events
- 5 969 units | Housing for employees and customers

With TRADE-OFFS

Growth – Sustainability
Investing in production growth while reducing emissions, conserving water and improving soil health.

Profitability – Long-term investment
Investing in infrastructure, technology and diversification to create sustainable future returns.

Productivity – Employee wellbeing
Driving productivity while maintaining a safe, healthy and inclusive workplace.

Water use – Crop production
Optimising irrigation and water efficiency to sustain crop yields while protecting scarce water resources.

Operational efficiency – Community impact
Expanding operations while maintaining positive community relationships and responsible environmental practices.

Shareholder returns – Stakeholder value
Delivering financial returns while creating value for employees, growers, suppliers, customers and communities.

Managing our trade-offs
Creating long-term value requires balancing competing priorities. We continuously evaluate strategic, operational, social and environmental trade-offs to optimise sustainable outcomes for all stakeholders while preserving the capitals on which our business depends.

ALIGNING WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UNSDGs)

In recognising UNSDGs, we also align with them where they are related to our business. We remain committed to implementing leading practices linked to those most material to our activities, to ensure that we make a positive and lasting impact.

Accordingly, we have prioritised 11 UNSDGs, and linked them to our business focus areas to enable us to more effectively direct our efforts, and ensure we implement sustainability measures in an integrated manner that also supports our business strategy. Other UNSDGs are linked to individual projects and reported upon where applicable. 91

(For more on our links to the UNSDGs, see our ESG Report on page 91.)

3 Good Health and Wellbeing

- Employment
- Occupational health and safety
- Indirect economic impact
- Emissions
- Water

6 Clean Water and Sanitation

- Water and effluents
- Waste
- Biodiversity

8 Decent Work and Economic Growth

- Economic performance
- Indirect economic impact
- Training and education
- Procurement practices
- Materials
- Energy
- Market presence
- Employment
- Diversity and equal opportunity
- Child labour
- Forced and compulsory labour
- Labour management/ relations
- Occupational health and safety
- Freedom of association and collective bargaining
- Supplier social assessment

9 Industry, Innovation and Infrastructure

- Indirect economic impact
- Waste

12 Responsible Consumption and Production

- Energy
- Emissions

15 Life on Land

- Biodiversity
- Waste
- Emissions

5 Gender Equality

- Non-discrimination
- Child labour
- Forced or compulsory labour
- Supplier social assessment
- Indirect economic impact
- Diversity and equal opportunity

7 Affordable Clean Energy

- Energy

11 Sustainable Cities and Communities

- Materials
- Waste
- Energy
- Water and effluent
- Emissions
- Marketing and labeling

13 Climate Action

- Energy
- Emissions

17 Partnerships for the Goals

- Employment
- Occupational health and safety
- Indirect economic impact
- Emissions
- Waste

6

Delivering Value

OUR FINANCIAL CAPITAL

GM FINANCE'S REVIEW

> FY2026 was characterised by volatility on many fronts, raising the profile of financial risk on our corporate risk register.

Sugar markets

World market sugar prices continued on a downward trajectory with a 21.6% decline in the average price from 19.9 USc/lb in FY2025 to 15.6 USc/lb in the year under review, while the local currency traded 4.4% stronger against the US dollar. In the absence of market protection measures, these two factors created a conducive environment for imported sugar into our main SACU market, dragging local prices downward.

The market anticipated intervention measures that ultimately did not materialise and thus forecast prices during the year showed only a downward trajectory as sugar imports continued to flow into the local market, with the average sugar price 8.0% lower than the price for the prior year. What we have thus now seen marks two consecutive years of price movements that are well below inflation in a high-cost inflation environment.

Figure 1: Sugar and Ethanol Price Changes

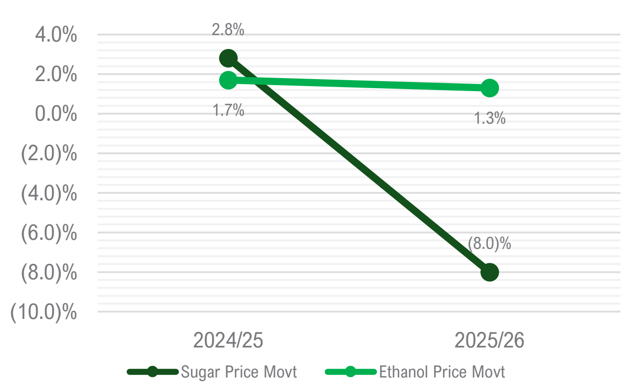


Figure 2: US Sugar #11 Futures - USc/lb

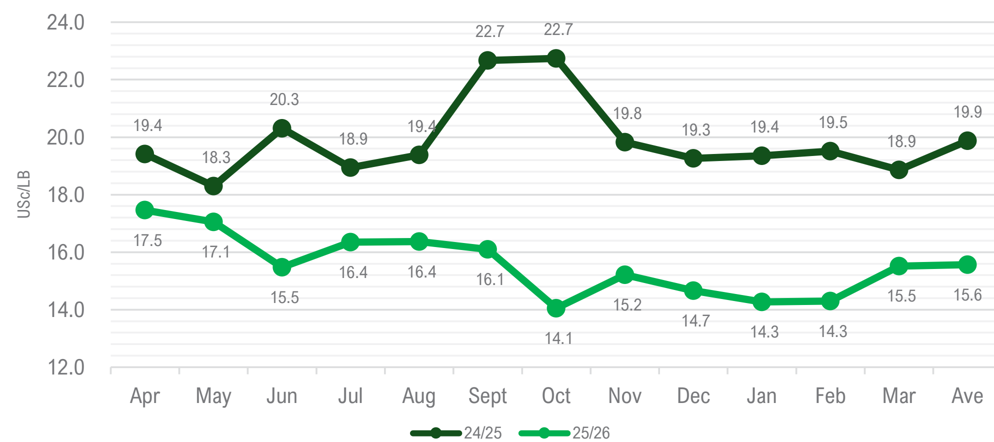
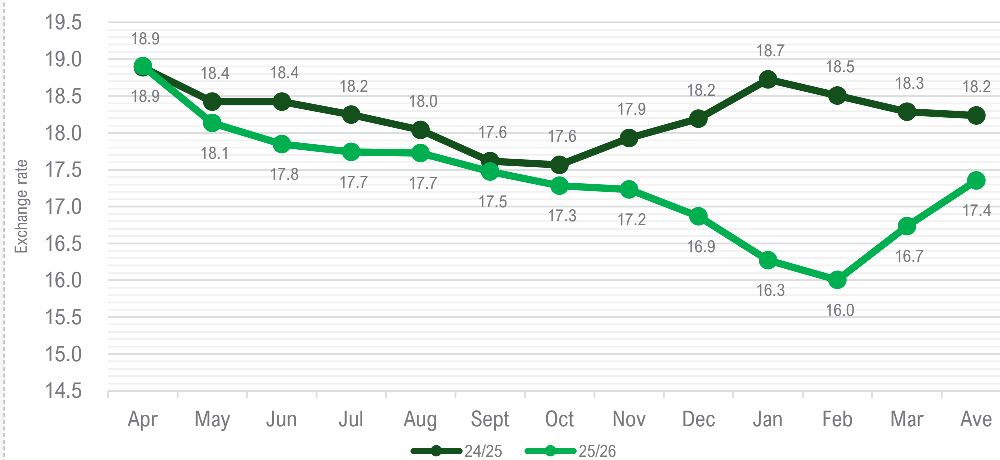


Figure 3: Lilangeni. Dollar Exchange Rate



Excessive rainfall

Above-normal rainfall was experienced from mid-October 2025 to mid-January 2026. Cane extraction and milling operations between May and September 2025 had been progressing well with good cane growing and cane milling efficiencies observed. *(For more on cane growing, see page 52.)*

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While the rains persisted, economical milling was only possible at Mhlume mill, with Simunye mill remaining ready in the hope of drier days ahead. However, with the rains persisting, management took a decision in December 2025 to put Simunye mill into early off-crop maintenance. The expectation, informed by historical weather data, was that milling in March 2026 would be possible, thereby reducing the volume of carry-over cane into FY2027. The plan called for Mhlume mill to continue to operate until mid-January 2026 when it would be necessary for its off-crop programme to commence. *(For more on agriculture and factories, see pages 52 and 62 respectively.)*

52 62

Cash generation

Cash generation in a dispensation of high debt is of paramount importance, and the March 2026 crush plan was designed to mitigate the risk of reduced cash generation.

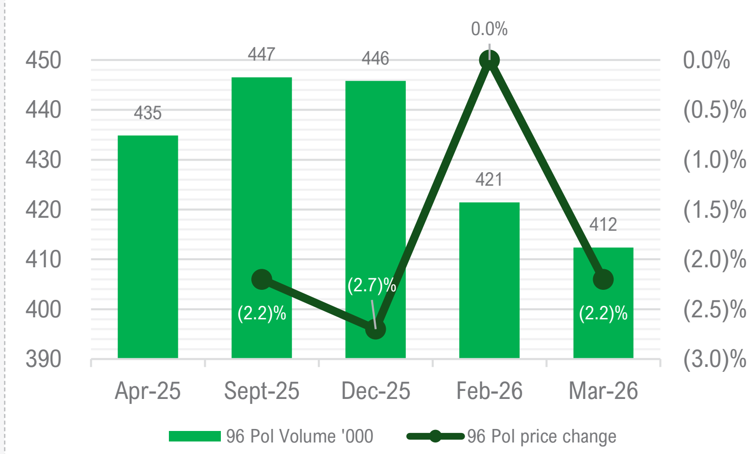
From December 2025 to March 2026, both pricing and volume moved down significantly with nine months of the financial year committed, leaving very little room for significant capex and operating cost containment measures to mitigate against the impact of the shock events.

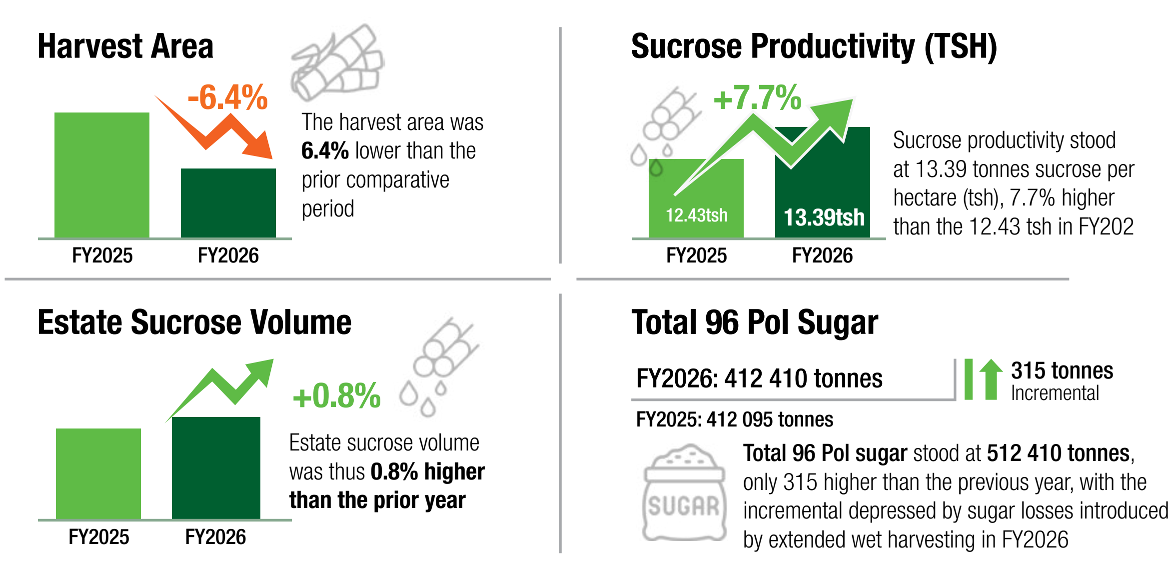
- All cane crushed under wet conditions from mid-October 2025, was subject to quality degradation due to the inherent longer burn-to-crush hours
- Sugar produced during this period was therefore lower than potential, with adverse impact on cash generation
- Cane extraction activities under wet conditions thus increased, thereby diluting margins that however remained positive

With three times the historic average rainfall in March 2026 our ability to efficiently extract and mill cane under such wet conditions was severely impacted.

Of the remaining unharvested area, after the January 2026 stop, we were only able to harvest 20.5% of the area in March 2026, thus throttling FY2026 cash generation.

Figure 4: Sugar volume and price profile





GM FINANCE'S REVIEW - *continued*

Ethanol

- Ethanol pricing remained depressed with an average price increase of only 1.3%.
- The movement of product into the SACU market was constrained by non-trade barriers with many of our existing and potential customers experiencing issues while exploring movement of product from Eswatini to South Africa.
- In Q4 of FY2026, the conflict in the Middle East introduced shipping constraints, with limited vessel movements to alternative export markets that our ethanol marketing team had carved out in response to the SACU predicament.
- The current year movement reflects the dilutive impact of lower pricing projected for FY2027, partially offset by higher sucrose volumes at the reporting date, due to the rain-induced unharvested cane.

Key Indicators

Ethanol Revenue

E376.8 million

Down 9.0% against the prior year

Revenue Variances

Sugar Price Variance
E101.5 million
Adverse

Ethanol Price Variance
E4.9 million
Favourable

Volume Variances

Sugar Volume Variance
E1.9 million
Favourable

Ethanol Volume Variance
E42.4 million
Adverse

Cost of Sales

Up 3.6% on the prior year

- Driven by cost inflation on input costs
- Higher associated wet harvesting cost

NET FINANCE COSTS

NET FINANCE COSTS UP **E25** million on FY2025

Net finance costs increased compared to FY2025

Mainly attributable due to:

FINANCE INCOME
E13.7 million
lower than FY2025
due to lower cash balances

INTEREST COST
E12.3 million
higher than FY2025
on account of increased loans related to the final phase of the cane expansion project

GROSS PROFIT FOR FY2026
E411.5 million
62% down from FY2025

Mainly due to:

- Lower sugar price
- Cost inflation
- Lower ethanol sales volumes
- Biological assets movement

ADMINSTRATIVE COSTS down **3%**

Mainly due to:

- Consultancy costs
- Employment costs
- Restrictions in discretionary costs in response to the adverse sugar and ethanol markets

BIOLOGICAL ASSETS fair value saw a further reduction of **E159.8 MILLION** as compared to the E16.8 million reduction for the comparative period in FY025

Share of associates' company profit is 6% higher than the comparative period with associated entities performing reasonably well.

Other comprehensive loss net of tax shows a decrease of E4.9 million against the FY2025 loss of E8.8 million.

A pre-tax actuarial loss of E5.2 million was recognised compared to the pre-tax loss of E11.7 million in FY2025. The movement for the year is informed by a roll-forward actuarial valuation of severance pay and long service awards obligations, in accordance with the Group's accounting policy.

The above factors yielded a total comprehensive loss of E73.6 million, attributable to owners of the Company. This is a significant swing against the total comprehensive income of E414.3 million achieved in FY2025, largely attributable to:

- Lower sugar and ethanol pricing,
- Weather curtailed harvesting activities, and
- Restricted ethanol volume off-take.

Dividends paid of E171.3 million reflect payments against the final dividend for 2024/25 of E130.8 million and the first interim dividend for 2025/26 of E56.4 million. The latter dividend was declared on a profit estimate derived on forecast factors available in September 2025 that did not cater for the subsequent unforeseen adverse weather developments and the further downgrade of the sugar price and ethanol trading conditions.

Based on the final audited results for the group for FY2026, and in line with the dividend policy of the Group, a clawback of some E45.4 million will need to be made against the Group's next dividend declaration.

Looking ahead

Short term

The estate crop size for FY2026 is forecast to improve by 6.5% due to:

- Improved climatic conditions
- The harvesting of new cane areas

Consequently, sugar production is expected to improve by a similar margin.

Sugar and ethanol markets are expected to remain under tight pressure with the world price not expected to change significantly and currency rates at similar prevailing levels. Current estimates of sugar pricing for FY2026 project a further reduction of 3%, marking three consecutive years of below-inflation sugar price movements.

We anticipate that geopolitical cost inflation will remain a threat until resolution of the Middle East conflict. Under these conditions, the Corporation's ability to absorb shock events is significantly diminished, with management's response being the introduction of austerity measures which will continue until results improve.

Since the escalation of our financial risk profile, various financial outcomes have been modeled with different scenarios. These have led to proactive conversations with our various lenders, whose historic support has enabled the Corporation to weather the financial strain imposed by shock events. This will be a common feature of the finance function throughout the coming financial year.

Medium to long term

Finance will continue to play a leading role in the evaluation of the configuration options of reshaping the business to secure its long-term sustainability.

It is clear that milling capacity will remain a bottleneck under the new climatic conditions and that energy self-sufficiency will be a minimum requirement for the business that will need to provide the opportunity to generate exports for the national grid or beyond, leveraging on biomass that is readily available from our cane operations.

If current operating conditions and the resulting financial performance persist, this will become a more difficult task, prompting the question of what mitigations the business can afford. A range of scenarios will be tabled in the coming year for the Board to consider.

NET INVESTING OUTFLOWS
E413.1 million

E41.5 million
higher than FY2025, due to the carry-over of delayed projects from approved FY2025 growth project

DEPT RAISING
E75 million

E231.2 million
lower than FY2025, with the completion of the land expansion projects that commenced in FY2019

LOAN PAYMENTS
UP **E45.7** million

than in the comparative period in FY2025, due to higher loan drawdowns in the prior year

DIVIDENDS PAID
E171.3 million

reflecting payments against:

- The final dividend for FY2025 of E130.8 million
- The first interim dividend for FY2026 of E56.4 million

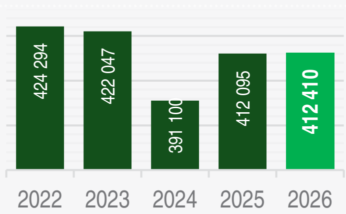
CASH GENERATED by operations before working capital changes
E365.8 million

significantly lower than the E832.9 million lrecorded in FY2025. This sum was mainly influenced by:

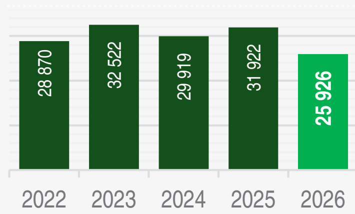
- Lower sugar prices
- Lower ethanol sales volumes

FIVE-YEAR REVIEW

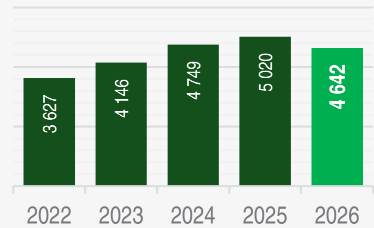
Sugar *(96⁰ pol tonnes)*



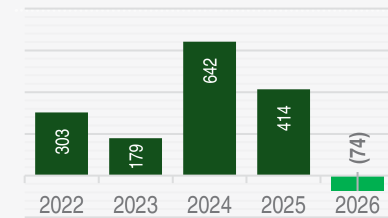
Ethanol produced *('000 Litres)*



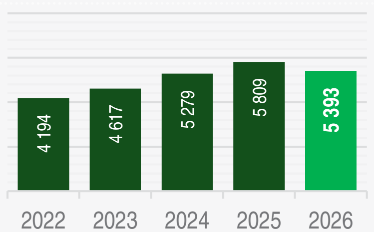
Revenue *(E'Ms)*



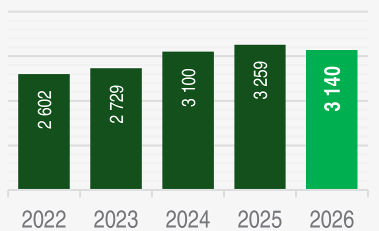
Total comprehensive income/(loss) attributable to shareholders *(E'Ms)*



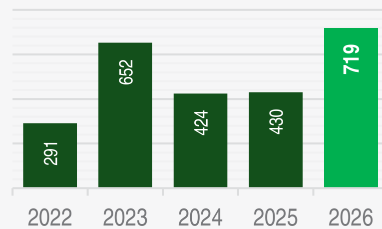
Total assets *(E'Ms)*



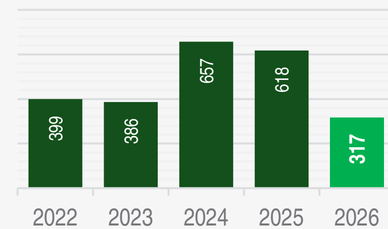
Shareholders' funds *(E'Ms)*



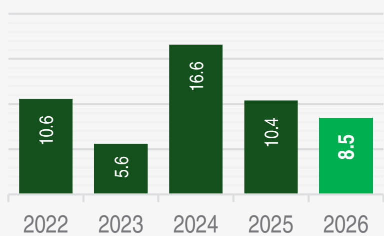
Net borrowings *(E'Ms)*



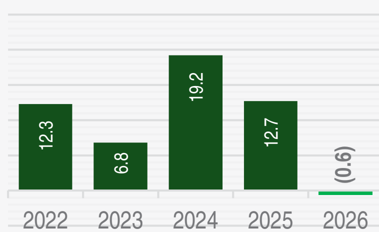
Net cash from operating activities *(E'Ms)*



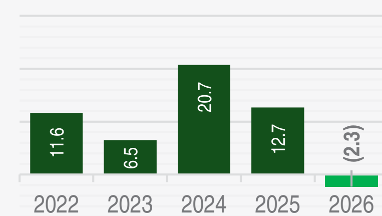
Operating margin *(%)*



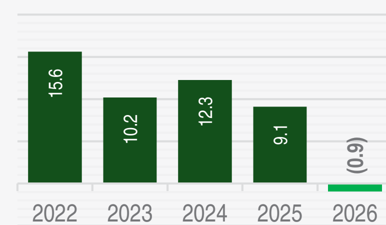
Return on net assets *(%)*



Return on shareholders' equity *(%)*



Interest cover *(E'Ms)*



7

Growing Value

OUR NATURAL CAPITAL

AGRICULTURE

Part of these capitals: Financial Capital, Natural Capital

Supporting these strategic themes: Operational Excellence, Sustainability Impact

Reflecting these material matters: Climate Change, Soil Health

Our Targets

Target	Impact/Implementation	Associated Risk
Improve soil health	Assists with the reduction in the likelihood of soil compaction caused by a chemical imbalance that results in physical compaction during wet harvesting	2
Aphid control management	Lesser area infested than the prior season	
Intelligent agriculture	Introduction of a remote soil moisture monitoring tool	
Turn around sucrose production efficiency	• Introduction of high yielding varieties: - High sucrose and less lodging varieties • Increase autumn replant area: - An initiative to increase the autumn replant area to maximise yield, with the highest yield potential in autumn-planted fields	
Initiate harvesting in March	With research showing that on average the number of opportunity days for harvesting are higher in March than late in the season in November/December, with the aim of: • Minimising harvesting in the wet, with a strategy to reduce the area harvested late in the season in favour of an area harvested in March • Thereby optimising the haulage operation	

Top 10 risks 34

What the risk means

Unpredictable volatile climate conditions, with rainfall above normal in periods where it is normally dry, resulted in having to rule out March harvesting because the amount and frequency of rainfall were above the normal

Mitigation

The 2 040ha of crop planned for harvest in March was carried over to the new financial year in April.

Outcome

The area planted was significantly below target, with:

- 173ha planted by the end of March against a target of 814ha
- Delays in application of agronomic inputs because of the prolonged wet weather conditions

Our Yield

	Actual FY2026	Actual FY2025
Total cane crushed	1 892 198	1 897 687
Tonnes cane per ha	94.88	89.03
Hectares Cut	19 944	21 316
Tonnes Sucrose	266 993	264 996
Tonnes Sucrose/ha	13.39	12.43
Pol % Cane	14.11%	13.96%
Age	12.8	12.4
Hectare		
Under cane	23 351	23 212
Replanted	1 967	1 905

High yields attributed to favourable climatic conditions

Looking ahead

- In the short to medium term, agricultural input supply and increased costs deriving from geopolitical issues will continue to impact our approach
- In the medium to long term, climate change will increasingly affect our agricultural performance

AGRICULTURE SERVICES

Part of these capitals: Financial Capital, Natural Capital

Supporting these strategic themes: Operational Excellence, Sustainability Impact

Reflecting these material matters: Climate Change, Soil Health, Sugar Markets, Water

Responsible for

- Cane supply
- Engineering services
- Fleet
- Machinery Services

With these strategic goals

Impacted by this risk 2

Goal	Actual FY2026	Actual FY2025
Improved cane logistics efficiency: Burn-to-crush delay	53.16 hours	43.0 hours
Fleet availability	91%	91.9%
In-situ drip replanting	31.8ha	60.7ha
Autumn replanting	172.4ha	617.4ha

Looking ahead

Short term

- Adequately resource cane cutting, cane extraction and haulage equipment to mitigate the risk of changing patterns of rainfall.
- Improve cane logistics efficiency to reduce the risk of increased costs due to fluctuating fuel prices.
- Optimise equipment and vehicle maintenance programs to minimise harvesting and operational costs.

Medium term

Lack of availability of spares due to geo-political factors, with shortages resulting in higher fleet maintenance costs, and thereby impacting on operational costs.

Long term

- Reliable labour availability for cane cutting: With increased yields there is a requirement for a more efficient and sustainable supply of sugar cane to the mills.
- Accelerate the application and implementation of technology and mechanisation within operations, including the use of:
  - » Drones for surveys and in-field data collection.
  - » Hybrid and electrical vehicles and mechanical harvesting.
  - » Morden Fleet management technology.

Harvesting the benefits of responsible land management
Our natural capital underpins agricultural productivity, supporting sustainable cane production while safeguarding the resources that sustain our business and surrounding communities.

WATER RESOURCES

Part of these capitals: Natural Capital

Supporting these strategic themes: Operational Excellence, Sustainability Impact

Reflecting these material matters: Climate Change, Soil Health, Water

The year saw favourable water conditions, characterised by:

- High water levels in dams at the start of FY2026, with Maguga and Mnjoli overflowing
- Above normal rainfall
- Sand River Storage increased to 98.2% through pumping of excess water in the Komati system

Strategic goals

- Improving water use efficiency to achieve 0.57ML/tonne of sucrose
- Deliver irrigation water to meet at least 98% of requirement from agriculture production
- Implement water harvesting infrastructure to enable the recapture of runoff from furrow for re-use
- Implement Irrigation infrastructure for 1 067ha targeted for replant during the FY2026
- Develop and implement a water stewardship strategy and plan and drive process to achieve AWS certification in FY2027

Targeting

- Improving capacity to harvest and store water to minimise the impacts of droughts resulting from climate change
- Increasing drip replant area for yield improvement
- Improving water use efficiency and ensuring sustainable use of the water resources

Associated risks 2

- Drought, despite unusually heavy seasonal rains, with El Niño forecast in the short term
- Storm damage to infrastructure from unusually wet weather

The heavy storm experienced in March 2026 coupled with already high river levels from rainfall between November 2025 and January 2026 resulted in damages on the fuse plug portion of the Homestead Weir.

This disrupted the supply of water to 1 200ha of sugarcane at Homestead, subjecting the crop to a prolonged period of water stress, and lead to a rehabilitation cost of E4.5 million.

Our initiatives

Project	Status
Increase RES water harvesting capacity to improve water security and to drought-proof RES cane-growing operations	The scope of work was to secure the necessary approval from relevant authorities before implementation of the project through: • Lulala irrigation runoff recycling infrastructure (March 2026) • Iselele Dam feasibility (March 2027)
Implement irrigation infrastructure for the 954ha targeted for replanting in FY2026	• 537.8ha Drip infrastructure (Sept 2025) • 416.2 Drip infrastructure (March 2026)

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Goal	What it means	Actual FY2026	Actual FY2025
Water use efficiency	Improve water use efficiency measured in megalitres/tonne of sucrose	0.58 ML	0.57 ML
Water unit cost	Reduce the department's contribution to the divisional unit cost of production	E468.98 per tonne of sucrose	-
Water delivery	Deliver irrigation water to meet at least 98% of requirement from Agriculture Production	99%	98.5%
Increase water harvesting capacity	Secure authorisation for the implementation of water diversion infrastructure on Lutala stream to enable recycling of runoff from furrow irrigation	Approval could not be secured by end of March 2026 due to additional requirements. New target is to complete approval process by September 2026	New goal started in 2025/26
Drip replant irrigation infrastructure	Implement irrigation infrastructure for 954ha targeted for replant during the FY2026 (537.8 in spring and 416.2 in autumn)	By March 2026: 709 ha (spring and automn replant	By March 2025: 1024 ha (spring and automn replant)
Implement RES water stewardship strategy and plan	Develop and implement a water stewardship strategy and plan for RES and drive the process towards achieving AWS certification in in FY2027	Development of Water Stewardship Plan in progress, but running behind schedule due to budgetary constraints	Development of Water Stewardship Plan in progress, but running behind schedule due to budgetary constraints

Looking ahead

Short term

Water situation appears favourable in the short term, with available water adequate to meet our water requirements for the 2026/27 season.

Medium term

With forecasts indicating the possibility of an El Niño phenomenon from spring 2026, the water situation may not be favourable beyond FY2027. This will require close monitoring to enable timely implementation of water conservation measures to render available water resources utilisable as far as possible.

Medium to long term

Climate change-related impacts will continue to be the most significant risk.

Long term

The risk of drought remains relevant given the cyclic nature of weather patterns, which swing between wet and dry extremes. This will necessitate continued efforts towards building the required resilience against climate change impacts.

Managing water responsibly

Through well-maintained water storage and distribution infrastructure, RES advances prudent water stewardship while meeting the needs of agriculture, communities, and the environment.

OUTGROWERS

Part of these capitals: Natural Capital; Social and Relationship Captal

Supporting these strategic themes: Operational Excellence; Sustainability Impact

Reflecting these material matters: Climate Change; Soil Health; Sugar Markets; Water

During the year under review Outgrowers' performance improved by 2% from 87.09TCH in the prior year to 88.82TCH, although this result was tempered by a lower sucrose percentage in cane due to harvesting having to be undertaken in the wet.

Overview

Most farms have adopted self-nursery introduction to help improve on seed availability for both replanting and gapping. The high cost of buying and transporting seed from the miller-cum-planter is therefore avoided for these distant growers.

Some Outgrowers have introduced green crop manuring to improve on soil organic matter content and subsequently, on yields. The unanticipated creep of unplanned costs brought about by the need for wet harvesting continued to affect some growers, particularly those with smaller farm.

At Vuvulane, the harvesting of some 47ha was deferred from past season due to persistent wet weather, with these farmers losing revenue for the year.

Outgrower contribution

There were no major changes to outgrower performance compared with FY2025, when the total area harvested was 13 335.7ha at 1 161 364 tonnes cane (TC) and 164 172.4 tonnes sucrose (TS). The productivity was 87.09TCH, 12.31TSH and 14.11% sucrose

There was only one new entrant/additional grower during the year, agri-planting at 103.17ha. No grower exited during the year.

Mill	No. of Outgrowers	Area (ha)	TC	TS	TCH	TSH	% Sucrose
Mhlume	288	8 873	786 517	110 576	86.64	12.46	14.06
Simunye	25	4 224	376 823	51 902	89.20	12.29	13.77
TOTAL	**313**	**13 097**	**1 163 340**	**162 478**	**88.82**	**12.41**	**13.97**

Challenges

Outgrowers faced significant challenges during the year, including extreme weather conditions linked to climate change and lower sugar prices, which placed pressure on cash flows and loan repayments. While some growers obtained loan repayment extensions, others deferred certain farming activities to manage financial constraints.

Replanting was one of the activities affected, with 605.06 hectares replanted against a target of 655.54 hectares, achieving 92.3% of the budgeted programme. The remaining area has been deferred to the 2026/27 season, with no anticipated loss of future cane production.

Some irrigation schemes also experienced electricity supply disruptions following disconnections by the Eswatini Electricity Company (EEC) due to unpaid service charges. In addition, limited access to production inputs such as fertilisers, herbicides, and ripeners affected crop performance in certain areas. Despite these challenges, growers remained committed to sustaining operations and safeguarding long-term productivity.

Our outgrower relationships

No relationship challenges were experienced between RES and outgrowers during the year under review.

Moreover, we renewed our management agreement with Madlangempisi Farmers Company for the continued management of the farm, extending it for five years to 2031.

In addition, we are assisting other new entrants into sugarcane farming, two of which will be supplying sugarcane to the Mhlume mill, while one from the Sidvokodvo area will be supplying cane to the Simunye mill. *(For more on stakeholder relations, see page 26.)*

OUTGROWERS

Looking ahead

Short term

FY2027 production is expected to be similar to that of the year under review, due to the extended crushing period which ultimately affects crop age in the subsequent year. Damage from wet harvesting and the persistent wet weather also prevented field maintenance operations such as cultivation. Estimates for the FY2027 yield have therefore been reduced by 5% from the current year's performance.

Medium to long term

- Performance is expected to improve gradually with most farms having now achieved their desired replanting rates with younger crop ratoon. This is also expected to extend to the long term, with the anticipation that the sugar price will soon improve and growers will be provided the opportunity to carry out all required crop husbandry practices.
- Outgrowers are working towards maintaining an average performance of 100TCH in the next three years through
  - » Improved replanting programmes
  - » The introduction of high yielding varieties
  - » Improved nurturing of the crop as guided by the technical expertise of the Extension Personnel
- A Service Level Agreement (SLA) between the Extension Officers and Eswatini Sugar has been reviewed to align forecast and attention to improving farmer productivity for each Extension Personnel member.

CITRUS

Part of these capitals: Natural Capital

Supporting these strategic themes: Operational Excellence, Sustainability Impact, Diversification

Reflecting these material matters: Climate Change, Soil Health, Sugar Markets, Water

Strategic initiatives

During the year under review our target was to implement a yield turnaround strategy by revisiting the replant programme by:

- Replanting every third year to sustain crop production, with the last replanted orchard bearing fruit
- Removing the Staruby variety in our poorest yielding orchard

Reviewing crop husbandry practices, with the aim of increasing yields to 45 tonnes per year from 32.65 tonnes per tonne per year

Challenges we faced

We suffered significant losses of ~400 tonnes, worth ~E1 million from theft of fruit which is sold on the black market in cross-border deals. This was mitigated by:

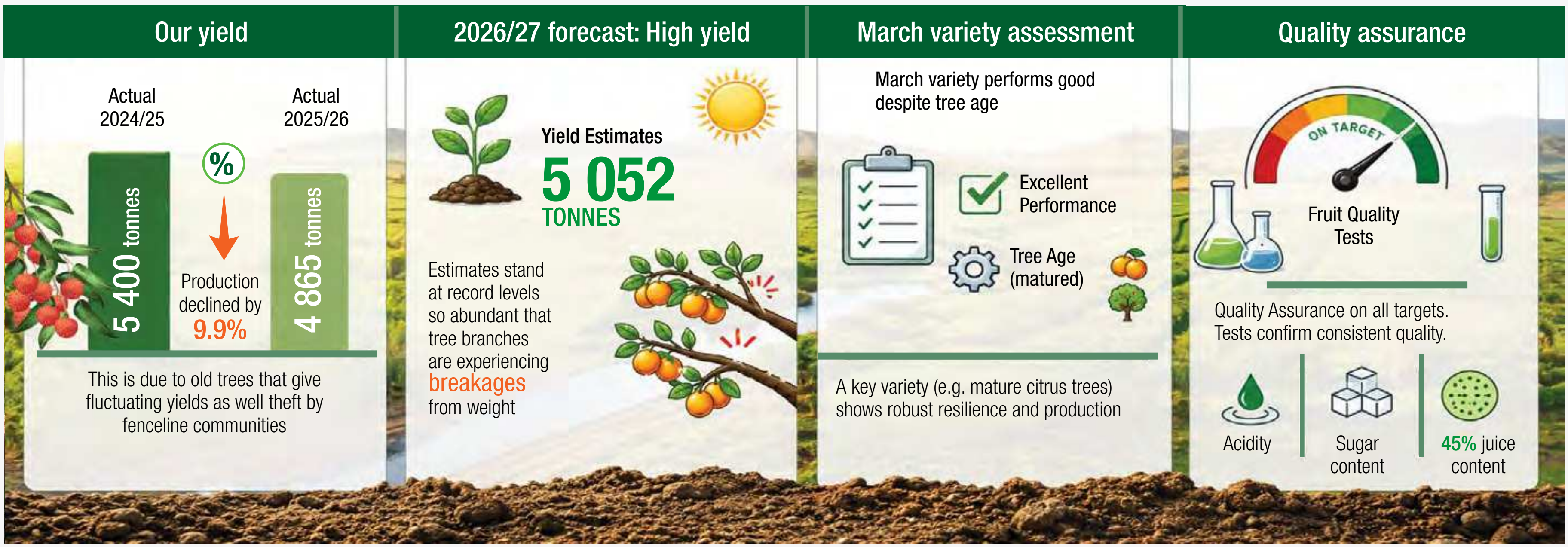
- The installation of razor wire to strengthen farm security
- Planting young orchards to increase fruit production

Looking ahead

Short-, medium- and long-term threats remaining:

- Climate change
- Fruit theft
- Mid-crop husbandry practices require constant review
- Neglect of replant programme

Performance



LIVESTOCK AND GAME (L&G)

Part of these capitals: Natural Capital

Supporting these strategic themes: Sustainability Impact; Diversification

Reflecting these material matters: Climate Change; Water

During the year under review, L&G continued to operate as an integrated business focused on delivering sustainable value across all value chains, ranches, feedlots, abattoirs, and butcheries. The business-maintained activities across its primary value chains, supported by operational, technical, and commercial functions are aimed at improving efficiency, customer service, long-term sustainability and stakeholder value creation.

Our operations included:
- Production activities
- Processing and service delivery
- Infrastructure support
- Commercial operations
- Stakeholder engagement initiatives

Focusing on

- Operational optimisation
- Cost management
- Compliance
- Implementation of strategic initiatives aimed at strengthening performance and resilience

Several internal and external factors affected the sustainability and performance of Livestock and Game during the year under review.

Increase in operating costs, relating to:
- Energy
- Fuel
- Logistics
- Production inputs

Inflationary pressures and broader economic uncertainty affecting both operational expenditure and consumer spending patterns

Changing market dynamics and competitive pressures within the industries in which Livestock and Game operates

Continued focus on cost optimisation and operational efficiency initiatives to improve profitability and sustainability

Strategic reviews aimed at improving:
- Business resilience
- Revenue diversification
- Long-term value creation

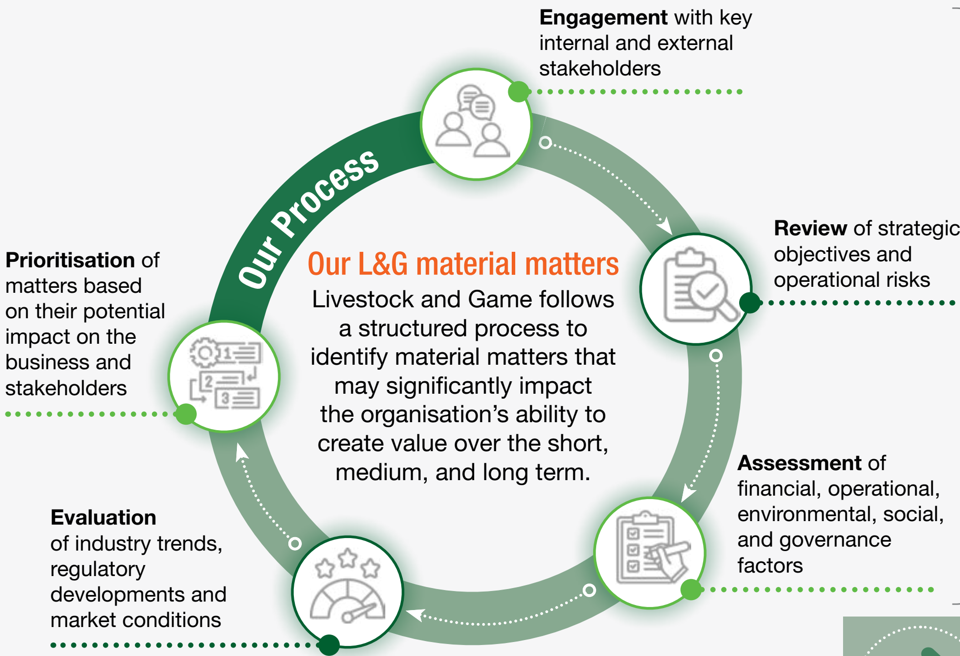
Increased emphasis on:
- Sustainability
- Environmental stewardship
- Responsible resource utilisation

Impacted by

An evolving **operating environment** influenced by economic, environmental, regulatory, and industry-specific developments. 19

- Restriction of cattle movement due to Foot & Mouth disease, which has impacted feeder purchase for the feedlot
- Ban on export of meat to South Africa, impacting hunting as SA hunters could not play a role in reducing game numbers.
- Increased focus on environmental sustainability and climate resilience
- Regulatory and compliance developments impacting operational activities

LIVESTOCK AND GAME (L&G) - *continued*



Identified these material matters

33

- Financial sustainability and profitability
- Operational efficiency and cost management
- Environmental sustainability and resource management
- Market competitiveness and revenue diversification
- Human capital development and organisational capability
- Governance, compliance, and risk management

Presenting these opportunities

- Improved operational efficiencies
- Strategic diversification initiatives
- Innovation and process optimisation
- Enhanced stakeholder relationships
- Sustainable business practices
- Expansion into new markets and revenue streams

Performance

Livestock and Game delivered a resilient performance in 2025/26 despite reduced fertility and Foot-and-Mouth Disease restrictions. The breeding herd fell from 921 to 803 females, but stocking rates improved from 3.6 to 4.2 ha/LSU, supporting sustainable grazing. Fertility remained below target, with conception at 59.6% and calving at 55.0%, making reproductive efficiency a key priority. Mortality improved from 10.5% to 7.6%, reflecting stronger animal health.

The feedlot increased sales to 1 129 head, while retail beef sales held steady at 59.7 tonnes despite weak demand. Environmental stewardship continued through rangeland improvement and wildlife management. As part of ecotourism drive, commercial game hunting resumed, sustainably harvesting 567 animals and adding revenue. Next year's focus will be on fertility, productivity, cost efficiency, and sustainable livestock and wildlife management.

Looking ahead

Short term

We will continue to focus on operational stability, cost optimisation, and strengthening financial performance amid a challenging economic environment. Improving efficiencies, managing risk, and implementing strategic initiatives will be prioritised, with the aim of improving profitability and sustainability.

Medium term

- Our aim will be to strengthen our market position through:
  - Operational improvements
  - Diversification initiatives
  - Enhanced customer value propositions
  - Strategic investment in growth opportunities in goats, piggery and poultry
- Continued focus will also be placed on sustainability, innovation, and organisational capability development.

Long term

We will seek to position ourselves as a resilient, sustainable, and competitive business capable of delivering consistent stakeholder value. The department will continue to:

- Pursue growth opportunities
- Strengthen our sustainability agenda
- Embrace innovation
- Adapt to changing market and environmental conditions to ensure long-term value creation

8

Creating Value

OUR MANUFACTURED CAPITAL

OUR FACTORIES

Part of these capitals: Financial Capital, Manufactured Capital

Supporting these strategic themes: Operational Excellence, Sustainability Impact

Reflecting these material matters: Energy, Sugar Markets, Water

The 2025 crushing season was heavily impacted by persistent rainfall, resulting in prolonged factory outages, reduced cane deliveries, and extended crushing operations. Despite these challenges, Simunye and Mhlume maintained strong operational performance and remained among the leading factories in the region.

Overview

The FY2026 crushing season was one of the wettest seasons experienced in recent years,characterised by:

Just Above **3.3 million TONNES** total sugarcane processed

Simunye Mill Crushing the **Lowest Cane Volume** in 10 years (10 YEAR)

Mhlume Mill **Continuing to crush** until January 2026 to finish the remaining cane

Uneconomical Crushing at both factories as cane deliveries could not sustain both mills when the rains started

An Extended Season to March 2026 to complete crushing of about **260 000** tonnes carryover cane

The shortest ever **Off-crop maintenance period** with Simunye factory resuming production in **March 2026**

Performance

While crushing rates fell below targets due to low cane deliveries, breakdown of electricity generators at Simunye Mill and juice processing in wet conditions, both factories continued to perform well compared with others in the region, with Simunye Mill best in overall recoveries (OR). Production of refined sugar was suspended at the end of November in favour of brown sugar because of reduced demand in the markets.

Simunye Mill

- Continued with a debottlenecking exercise to increase factory throughput to 500tch
- The evaporator tube plate replacement continued to progress well with only three of the eight vessels still needing to be replaced
- Evaporator tube plate replacement has increased the efficiency of the evaporator station to achieve evaporation rates in excess of 80%, allowing increased juice flow rates.

Mhlume Mill

Maintained excellent OR performance and was the leading back-end refinery factory.

Consolidated factory targets and outputs		
Quantity (Tonnes)	Actual FY2026	Actual FY2025
Cane milled	3 226 313	3 203 701
Sugar 96 Pol	422 203	425 714
Sugar MTTQ	392 021	395 281
Refined sugar	141 140	130 732
VHP sugar	250 178	259 682
Demerara sugar	658	925

Challenges we faced

During the year under review, the factories continued to experience high staff turnover among skilled workers, mainly artisans, with skills shortages presenting an ongoing constraint.

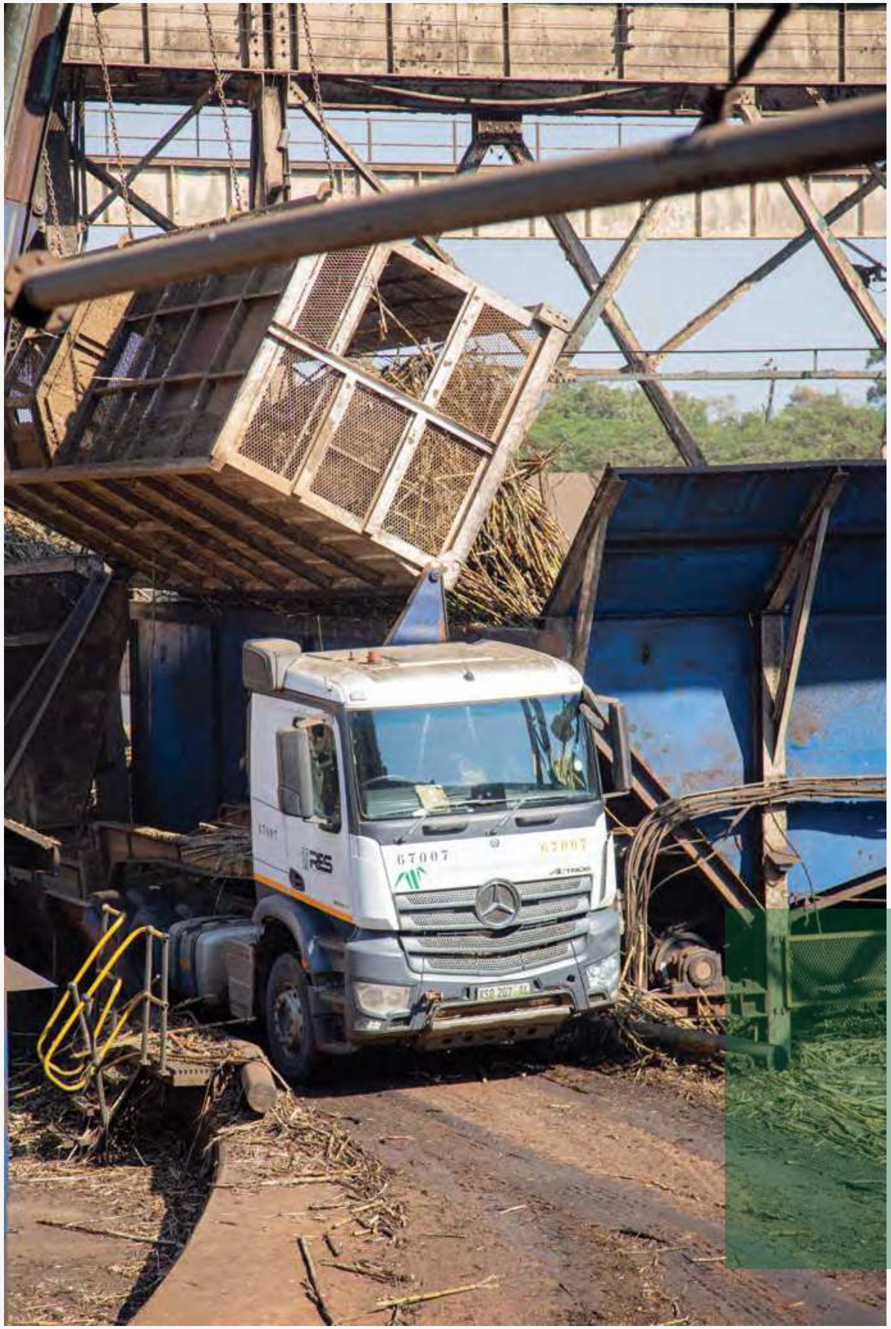
Looking ahead

Short term

To improve factories energy efficiency or steam percent cane to be comparable with leading industries.

Medium term

The de-bottlenecking of Simunye Mill will continue with complete studies having been undertaken for this project by a third party.



Turning harvests into products
Reliable cane handling and milling operations form the backbone of our manufacturing process, enabling the efficient conversion of cane into sugar while supporting operational excellence across our factories

ETHANOL

Part of these capitals	Supporting these strategic themes	Reflecting these material matters
Financial Capital, Manufactured Capital	Operational Excellence, Diversification	Energy, Water

> The Distillery had its slowest production season during the year under review, having to contend with persistent product storage constraints, which also applied to stillage in the latter months. As a result, alcohol production stood at about 60% of plant capacity with the consequence of stock carry over at the end of the season.

Overview

60

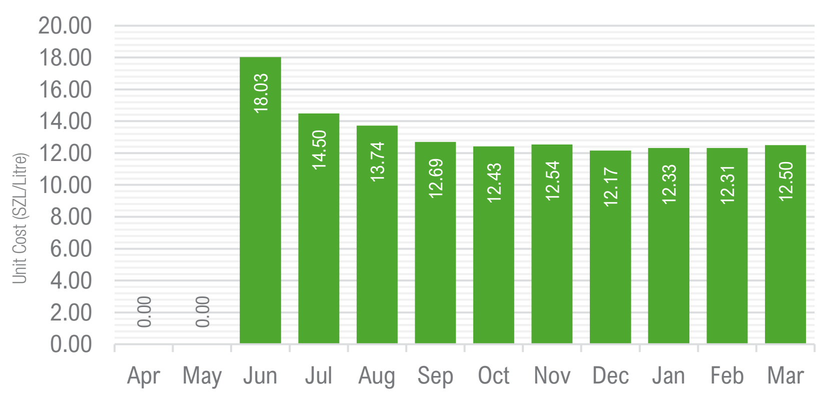
The Distillery, with an installed capacity of 55 million litres of alcohol annually, is a back-end operation in the overall manufacturing context of RES. It utilises molasses from the two sugar factories to produce various ethanol grades including High-grade potable and anhydrous ethanol over a 10-month production season.

(For more on our factories, see page 60.)

Challenges we faced

Expected economies of scale were not realised as a consequence of constantly high product levels in storage, caused by slow product movement. In order to avoid frequent production stops, the distillery was therefore forced to match slow dispatch rates, with productivity lagging behind target month-to-month.

Figure 5: Monthly alcohol production unit cost



Looking ahead

In the short term, the ethanol business will be going into the new season with carry over stock creating an opportunity to higher production and sales volumes.

MANANGA SUGAR PACKERS (MSP)

Part of these capitals: Financial Capital, Manufactured Capital

Supporting these strategic themes: Operational Excellence, Diversification

Reflecting these material matters: Sugar Markets

Mananga Sugar Packers sells and markets sugar through Quality Sugars based in South Africa. About 99% of sugar packed at MSP is sold in South Africa, with the balance sold in Eswatini as our own brand First Sugar, and small quantities sold as icing sugar to industrial customers.

Performance against strategy

Our strategic goals
- Increase sales
- Improve productivity
- Improve market share of MSP sugar in the SACU market
- Increase shareholders equity by achieving budgeted EBIT

Our Performance

Production was lower while sales volumes increased marginally. Pricing was constricted

During the year under review, sales were affected by:
- Increase in imports
- Underperforming Pick 'n Pay brand
- High competition between sugar pre-packers

Speciality sales remained stable. Volume was lost to other pre-packers in the industrial space due to price, which mainly affected brown sugar.

PRODUCTION	SALES VOLUME	NET MARGIN per tonne of sugar
↓ -9.8%	↑ 1.6%	↑ 2.5%

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MANANGA SUGAR PACKERS (MSP) *- continued*

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Income statement	FY2025/26 E'M	FY2024/25 E'M
Revenue	1 490.1	1 433.0
Profit after tax	62.3	57.6
Group share of profit	31.2	28.8

Our key performance indicators (KPIs)		
KPI	Actual 2025/26	Actual 2024/25
Packaging waste	0.4%	0.7%
DIFR	0.47	0.43
Service level	98%	96%

Key initiatives
- ~800 tonne storage of 1-tonne bags completed
- Two pelletising robots installed
- Successful implementation of NOSA system, with a 4-star rating
- Achieved zero non-conformances in FSSC 22000 audit

Looking ahead

We are likely to meet goals and objectives in the **short and medium term** with modest or zero growth due to:
- Tight competition
- Pressure on pricing
- Increasing production cost.

For growth to occur, we will need to:
- Expand into markets outside of SACU
- Have greater penetration of our First brand
- Improve operational efficiencies

In the **short, medium and long term**, we anticipate that impacts will continue to be felt from:
- Imports in the SACU markets
- Sugar price volatility due to competition and imports
- High fuel costs affecting logistics
- High energy costs affecting production cost
- Consumer demand as more people reduces sugar consumption

MARKETING AND LOGISTICS

Part of these capitals: Financial Capital, Manufactured Capital

Supporting these strategic themes: Operational Excellence, Diversification

Reflecting these material matters: Energy, Sugar Markets

> Ethanol marketing activities during the year were executed in a constrained demand environment, with a strategic focus on maintaining price discipline, preserving market presence, and strengthening customer relationships.

Overview

Our marketing approach, leveraging stronger performance in SADC and EAC markets, shifted during the year under review towards:

- Customer retention
- Targeted acquisition
- Regional diversification

Ethanol markets, particularly in Europe, remained stable but subdued, with pricing largely unchanged and demand driven by contractual off-take rather than spot opportunities. This resulted in revenue underperformance despite price stability, evidenced by:

- **Total ethanol revenue** | ~E376 million, 23% below target of E489 million
- **Volume performance** | Total sales 23.1 million LAA, 24% below target of 30.5 million LAA

Our operating environment 19

- Compliance-intensive ethanol sector
- Evolving global and regional market dynamics

Regulatory environment

Multi-layered compliance framework, including:

- Customs and Excise legislation
- VAT requirements
- ASTM product standards
- ISO environmental and safety standards

- Complex customs and excise enforcement, impacting customer participation
- Increased focus on traceability, documentation accuracy, and regulatory reporting
- Continued reliance on bonded warehousing and licensed distribution channels
- Structural shifts in global markets, including reduced EU production capacity and changing import regimes

Conditions collectively shifted market competitiveness from price to compliance credibility, reliability, and supply assurance.

Compliance risks with implications, including:

- Restricted Trader / customer participation
- Heightened controls on ethanol movement
- Increased cost and administrative burden on operations

Impacting sales and operations through

- Volatile global market
- Customer attrition, driven by compliance investigations and regulatory enforcement
- Regulatory tightening, particularly within SACU markets requiring stricter customer vetting and excise compliance
- Geopolitical and economic pressures, affecting industrial and beverage ethanol demand

Resulting in

- Sales volume decline (24% below budget)
- Revenue shortfall (E112 million below target)
- Margin compression, with operating margin at E28.3 million vs E69.9 million budget (-60%)

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MARKETING AND LOGISTICS - *continued*

Continued from previous page

- Underutilisation of logistics capacity due to lower sales volumes
- Inventory build-up, resulting in elevated storage levels and associated cost pressures
- Increased complexity in cross-border movement of excisable goods, requiring strict compliance with customs and excise controls
- Documentation integrity and recordkeeping risks, identified as key compliance improvement areas
- Moderate gaps in regulatory reporting, reconciliation, and acquittals management

Compliance-related risks in logistics included

Increasing need for customer vetting and bonded movement controls across SACU markets

Operationally, logistics performance remained controlled, with distribution costs below budget, reflecting strong cost discipline, although efficiency was impacted by lower throughput.

Strategic interventions were implemented to address market challenges

- Customer acquisition and reactivation initiatives
- Enhanced customer vetting and compliance screening processes
- Targeted regional expansion into SADC, EAC, and emerging markets
- Activation of sales teams with focused performance targets
- Introduction of promotional and pricing adjustments
- Strengthening customer engagement and contract execution discipline

Positive results yielded in SADC and EAC markets, which exceeded budget targets, although overall performance remained constrained by broader macro and regulatory factors.

With management initiating

- Formation of an ad hoc compliance committee
- Strengthening of internal controls, acquittals, and recordkeeping systems

Looking ahead

Short term

- Focus on customer base rebuilding and compliance alignment
- Strengthening regulatory compliance

Medium term

- Gradual recovery supported by improving global supply, particularly in Europe
- Expansion into regional and alternative export markets
- Increased participation in fuel-grade ethanol opportunities

Long Term

- Positioning as a trusted, compliant, and reliable ethanol supplier
- Leveraging compliance strength, such as in AEO programme participation, as a competitive advantage
- Building a diversified, resilient customer and market portfolio
- Continued investment in compliance systems, governance, and operational efficiency

The journey continues beyond production
Once packaged and loaded, our sugar begins its route to customers, supported by a logistics operation focused on reliability, efficiency, and service excellence.

MATERIALS

Part of these capitals: Financial Capital, Manufactured Capital

Supporting these strategic themes: Operational Excellence, Diversification

Reflecting these material matters: Energy, Sugar Markets

> Our Materials Department collaborates with other user departments to sensitise the existing inventory management policy that stipulates the responsibility of our Commercial division to manage and control inventory management. The department provided stock availability to support the Corporation's operations throughout the season without disruption.

Our operating environment

- An exchange rate fluctuation during the season had a negative impact on materials landing from outside the country, attracting higher costs of landing items from overseas.
- Unfavourable bank interest rates made inventory financing for bulk purchases more expensive

Our performance

- A general increase in market material prices, global logistics increases and geopolitical disruptions substantially lessened the significance of this increase
- Improved logistics solutions resulting in fewer disruptions in most ports of entry for materials compared to previous seasons.

Challenges we faced

- Increased warehouse holdings in the prior season resulted in a high agri-chemicals valuation, as full year stock was delivered, resulting in turn in working capital pressure for the Corporation.

Looking ahead

In the short term, we expect the current geopolitical disruption causing high fuel costs to have a negative impact on landing costs for materials. This may push inventory sourcing to resort to bulk buying thereby increasing working capital pressure for the Corporation.

In the short to medium term, we anticipate that inventory investment will increase as materials gain price increase momentum from the unstable economy due to prevailing global political uncertainty. *(For more on our operating context, see page 19.)*

PROCUREMENT

Part of these capitals: Financial Capital; Manufactured Capital

Supporting these strategic themes: Operational Excellence; Sustainability Impact

Reflecting these material matters: Soil Health; Sugar Markets

During the year under review, Procurement continued to support the Corporation's operational and strategic objectives by ensuring the availability of critical goods and services through proactive sourcing, supplier engagement, and continuous monitoring of market conditions.

How we work

Procurement is in accordance with applicable policies, governance frameworks, and regulatory requirements, while maintaining focus on value for money, operational continuity, environmental responsibility and economic impact.

Initiatives

- Strengthen governance
- Improve operational efficiency
- Enhance supply chain resilience
- Promote sustainable procurement practices

With these key initiatives successfully completed

Online auction platform

Enhanced transparency, competitiveness, and efficiency within the procurement process by improving employee participation

Mass purchase order price amendment solution

Improved our ability to efficiently manage and update price changes in response to market volatility and fluctuating supplier costs, thereby enhancing operational responsiveness and administrative efficiency

Guided by

Ensure:

- Operational efficiency
- Supplier reliability
- Regulatory compliance
- Prudent financial management
- Responsible procurement practices that contribute positively to our broader sustainability objectives

Operating within

A dynamic and increasingly constrained environment due to the impact of the ongoing Middle East and Ukraine conflicts on global energy markets and international supply chains, causing:

- Rising fuel prices
- Inflationary pressures
- Shipping disruptions
- Shortages of key products and services
- Increased freight costs

Increased risk of supply instability and budget overruns

Mitigated by

- Intensified supplier engagement
- Reviewed sourcing strategies
- Enhanced procurement planning
- Exploration of alternative suppliers to improve supply chain resilience and reduce operational risk exposure

Looking ahead

Short term

- The function will continue to operate in a constrained and uncertain environment characterised by geopolitical instability, volatile fertiliser and fuel prices.

Medium term

- Strengthen strategic sourcing
- Diversify our supplier base
- Enhance supplier relationship management
- Improve procurement efficiencies through greater planning and process optimisation
- Focus on:
  - Improving supply chain resilience
  - Supporting local suppliers
  - Embedding more sustainable procurement practices to reduce environmental impact and operational risk

Long term

Continue to align with the Corporation's strategic objectives by:

- Strengthening governance and compliance
- Leveraging technology-driven procurement solutions
- Promoting sustainable and ethical sourcing practices
- Supporting socio-economic development through local supplier participation
- Enhancing long-term value creation through resilient and environmentally responsible supply chains

PROPERTY SERVICES

Part of these capitals: Financial Capital, Manufactured Capital

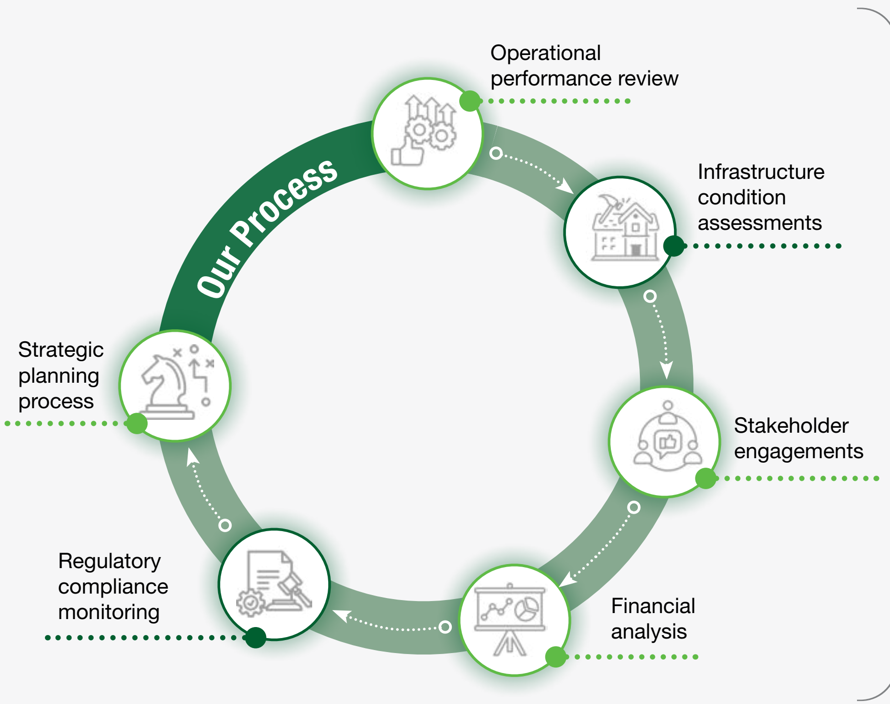
Supporting these strategic themes: Operational Excellence, Sustainability Impact

Reflecting these material matters: Energy, Water

During the year under review, Property Services undertook a real estate development plan, successfully commissioned and integrated the Tshaneni Sewer Ponds project, and implemented the insourcing of plumbing and road maintenance services.

Our Property Services material matters

Property Services continued to maintain and enhance the Corporation's property portfolio and infrastructure by delivering sustainable, cost-effective asset management, housing, environmental, and real estate services that support operational efficiency, employee wellbeing, and long-term value creation.



With continous evaluation of

- Maintenance trends
- Service delivery demands
- Land utilisation requirements
- Population growth pressures
- Ageing infrastructure 37
- Opportunities for infrastructure expansion and commercial development

Identified these material matters

- Increasing demand for housing
- Commercial infrastructure
- Integrated estate development within operational areas such as Simunye and Mhlume

Presenting these opportunities

Development of shopping centres and commercial nodes to:
- Improve service accessibility
- Stimulate economic activity
- Generate sustainable revenue streams

Expansion of integrated real estate developments to:
- Address housing shortages
- Support workforce accommodation requirements

Strategic infrastructure partnerships to:
- Accelerate development while reducing direct capital burden on the organisation

Unlocked by development models based on Build, Operate and Handover (BOH) arrangements

Private developers finance, construct, and operate infrastructure or commercial developments for an agreed concession period before transferring ownership back to the organisation.

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PROPERTY SERVICES - *continued*

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Our performance		
Goal	Actual FY2026	Actual FY2025
Property Margin	9.963 million	4.3 million
Housing Occupancy	92%	94%
Reduction in crime	10%	16.7%

Enabling operational excellence everyday
By providing housing, maintenance, security, and sanitation services across our estates, Property Services plays a vital role in supporting business continuity and enhancing quality of life within our communities.

Looking ahead

Short term

The outlook remains operationally stable, with continued focus on:

- Maintaining service delivery performance
- Completing critical infrastructure projects
- Improving operational efficiency.

We will prioritise:

- Finalising the Section 10 Sewer Pond Integration Project
- Improving wastewater compliance levels
- Stabilising operational expenditure through tighter cost control measures and enhanced maintenance governance

We expect:

To continue realising benefits from the insourcing of plumbing and roads maintenance services, including:

- Improved response times
- Reduced contractor dependency
- Enhanced technical oversight

Security operations to remain stable through continued deployment of:

- Integrated surveillance systems
- Patrol operations
- Emergency response capabilities

The implementation of enhanced approval controls within S/4HANA and improved governance mechanisms to strengthen expenditure management and improve accountability

We anticipate short-term pressures to arise from:

- Ageing fleet and operational equipment
- Housing shortages in critical employee categories
- Increasing maintenance demand linked to ageing infrastructure
- Environmental compliance pressures
- Rising operational costs associated with reactive maintenance activities

Medium term

The outlook is moderately positive, provided that current infrastructure upgrades and operational improvement initiatives are successfully completed and sustained. We expect:

- The completion of wetland integration projects to significantly improve:
- Wastewater treatment performance
- Environmental compliance
- Long-term operational sustainability
- To continue transitioning from reactive maintenance toward a more preventative and condition-based maintenance model, improving:
  - Asset reliability
  - Reduction in lifecycle costs
  - Long-term service delivery efficiency
- The transition toward integrated wastewater treatment systems incorporating constructed wetlands will constitute a more sustainable and cost-effective treatment approach with improved nutrient removal capability and lower environmental risk

Key medium-term priorities will include:

- Fleet and equipment replacement programmes
- Expansion of preventative maintenance systems
- Housing development initiatives through the Real Estate Development Plan, which we see as playing a critical role in addressing housing shortages through:
  - Strategic partnerships
  - Infrastructure development initiatives
- Strengthening environmental management systems
- Increased digitisation and systems integration for maintenance and operational monitoring
- Improvement of recycling and waste diversion performance

ENGINEERING SERVICES AND ENERGY

Part of these capitals: Financial Capital, Manufactured Capital

Supporting these strategic themes: Sustainability Impact, Diversification

Reflecting these material matters: Energy, Climate Change

During the year under review, Engineering Services and Energy continued to play a key role in both project execution and the energy supply and demand side management, ensuring reliability through an efficiently maintained robust electricity network, as well as maintenance coordination with the Eswatini Electricity Company (EEC). Power availability for operations thus remained high, evidenced by reduced frequency and duration of power interruptions.

Energy management	
Supply-side management	**Demand-side management**
• Managing the service offering and supply from EEC • Successfully managing and developing the 10MW Solar PV plant at Mhlume in collaboration with Engineering Management Services through an EPC contract with a third party	Implementation of energy efficiency initiatives Including: • Maximum demand control • Variable frequency drives on RES irrigation systems

- Overall System Average Interruption Duration Index (SAIDI) at 28.9 hours
- Customer Average Interruption Duration Index (CAIDI) at 1.53 hours
- Energy and Engineering Management Services work together on the 10MW PV project

Condition monitoring

During the season the condition monitoring team has been extremely effective in increasing plant uptime and reducing maintenance costs through the application of innovative predictive maintenance procedures and technologies.

Overview

The department performed well in fulfilling its mandate by delivering improved quality of service. Moreover, on the energy side it complied with quality-of-service standards and mandatory standards quarterly reporting on the company's performance to the Eswatini Energy Regulatory Authority. Despite the excessive rain and strong winds during the year, we maintained a stable and sustained supply due to work done in strengthening and upgrading the network.

We continued to play a key role in the shaping of the electricity supply industry in Eswatini, with significant involvement and inputs into the country's energy policies, regulations and standards.

Engineering initiatives

During the past season, under the project management of Engineering Management Services, a bagging plant for Eswatini Sugar was designed and installed at the Mhlume factory to enable:

- Surplus VHP sugar to be bagged and not sold at the lower bulk price
- Packing of both 50 kg and 1 tonne bags of sugar

ENGINEERING SERVICES AND ENERGY *- continued*

Our energy context

Consumption:
- A slight reduction from 243GWh in FY2025 to 241GWh in FY2026
- The unavailability of internal generation equipment resulted in a 13.7% reduction in generation
- Significant increase in imports from Eswatini Electricity Company (EEC), with import costs exceeding E300 million FY2026.

Sustained and unprecedented rains during the season affected cane extraction and milling with:
- Increased demand for external fuel
- Increased electricity imports
- Reduction in irrigation requirements until February 2026, when with an extended period of high temperatures, we saw:
  - » Increased irrigation and cooling requirements
  - » Record high electricity imports

Our key initiatives

- **Implementation of Irrigation Pumping Variable Frequency Drives (Energy Efficiency) to reduce irrigation energy consumption with savings of up to 20%,** executed in two phases with completion scheduled for June 2026.
- **Mhlume 10MW Solar PV Project (Energy Security)**, which, will displace approximately 20% of the imported electricity with:
  - » Contractor appointment and project design commencing in June 2025
  - » Plant construction commencing in November 2025
  - » Testing and commissioning planned for June 2026,
  - » Commercial operation scheduled for August 2026
- Business Transformation Project Study, a key milestone in our journey towards sustainability through diversification directed towards and focusing on:
  - » Renewable Energy Power Generation
    - Mhlume 10MW Solar PV project serving as the beginning of a wider process with Biomass and other distributed renewable energy resources to meet all RES energy requirements in self-sufficiency as first principle
    - Diversification through export of base load power into the national grid and to others through Power Purchase Agreements (PPA's)
    - The upgrade of the internal electricity network to interconnect the respective generation sites, RES load centers and the national grid
  - » Factory Efficiency
    Design and costing studies to improve steam and energy utilisation
  - » Integrated Business Model
    Developed to accurately evaluate the physical and financial viability of the various projects

Risks and challenges

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Energy security risk emanating from uncertainties in:
- Renewal of the Power Purchase Agreement (PPA) between EEC and ESKOM in South Africa
- Renegotiation of the new agreement at higher prices which subsequently increased the electricity energy cost for RES
- Sustained long term power challenges in South Africa
- 70% of power imported into the country
- New tariff adjustments of 7% to 11.74% for FY2027 were made by ESERA following an application by EEC in the middle of the two-year Multi Year Determined Tariffs period, which will result in:
  - » A substantial negative impact on energy costs and profitability of RES in FY2027 and beyond
  - » An average 14.95% increase cost of imported electricity

Looking ahead

Factors which will have a key influence on RES business in the short, medium and long term include:
- The aspiration of the Kingdom to reduce its reliance on imported electricity
- The impact of the new agreement between the Eswatini Electricity Company (EEC) and Eskom which took effect from October 2025
- The prospect of significant year-on-year energy tariff increases going forward
- The future of Eswatini's energy mix as defined and managed by ESERA through their public bidding process and in particular, the prospect of a new large-scale coal fired power plant, announced by EEC during the previous quarter
- The impact of carbon taxes/certification on sugar and the buyer/consumer expectation that producers must be acting sustainably at every level, including the energy sources for production.

Requiring

A shift from crisis management to sustainable growth, with renewables driving 45% demand expansion by 2050, and potential for load-shedding-free operations if targets are met

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Nurturing Value

OUR HUMAN CAPITAL

HUMAN CAPITAL (HC) DIVISION

Part of these capitals Human Capital | Social and Relationship Capital

Supporting these strategic themes Sustainability Impact | Operational Excellence

Our human capital is a fundamental resource for the Corporation, which depends on the skills, motivation and commitment of the people who work within it to create and sustain value.

Our workforce

Employees	Number
Permanent	1 839
Seasonal	2 604
Female	348
Male	1 491

Employee group	Female	Male	Total
T01-T06	126	770	896
T07-T11	145	500	645
T12-T15	63	174	237
T16+	14	47	61
Grand total	348	1 491	1 839

23%
female representation at senior management level (T16+) maintains our strategic ESG standard on inclusivity and equal opportunities.

Continues on the next page


Our people are the voices that inspire and drive change throughout our culture transformation journey


Showcasing services from internal and external stakeholders at the HC EXPO 2025


Celebrating Wellness Champions who advocate for employee health and wellbeing within our teams

Continued from previous page

Our Employee Value Proposition (EVP)

During the year under review, we:
- Enhanced of our employee offering on insured benefits (Life, Permanent Health and Funeral)
- Conducted market benchmarking to test market relevance in our pay and packaging
- Conducted studies on our seasonal employee EVP
- Conducted studies on tailormade flexible pay for Gen Z and Gen Y
- Confirmed STI and total manpower costs for the year
- Bestowed long-service awards

Resourcing

- 58.65% of appointments filled by internal talent, demonstrating:
  - » Our commitment to building our own internal pipeline
  - » Recruitment trends nevertheless indicate an increased reliance on external hiring for non-managerial positions due to the high mobility of technical skills and depletion of the internal talent pipeline.
- Staff turnover of 1.03%, which, despite its healthy appearance, nevertheless revealed:
  - » High turnover reflected in technical skills significantly above the 5% threshold
  - » An ongoing need to focus on building internal talent while at the same time remaining flexible in buying external talent

Workforce planning

- As a result of the workforce demographics workforce planning remains at the core of our human capital operations.
- We make use of psychometric assessments which enhance our recruitment decisions.
- Our assessments assisted us in determining future potential for the talent and assisted with succession-readiness decisions.

Candidate experience

As part of strengthening the employee experience, 49 newly appointed employees participated in the Candidate Experience Programme.

Feedback gathered has been used to:
- Assess the effectiveness of the recruitment and onboarding journey
- Identify improvement opportunities
- Support the continuous enhancement of the overall candidate and employee experience

Embedding a people-centric culture

We partnered with management to facilitate departmental interactive sessions to embed our RES DNA with the theme Crafting sweet moments together.

Called "A Better Workplace Begins With Me", the initiative supported ongoing cultural alignment by encouraging employees and leaders to take shared ownership of workplace behaviours, trust, and engagement.

Embedding a people-centric culture

- Project initiated, aimed at establishing a structured and equitable framework for all RES roles, intended to strategically:
  - » Address structural grading gaps
  - » Improve role clarity
  - » Support fairer pay structures
  - » Strengthen succession planning
  - » Reduce structural inefficiencies
- Contributes to cost optimisation and productivity by ensuring that organisational design, capability requirements, and reward structures are better aligned
- Work is ongoing with conclusion expected end of Q2 FY2027

Our HC strategic pillars

Strategic Pillar	Key Focus Area	What We Achieved
Attract and Develop	Attract Talent	• Focus on attracting talent internally, with 58.65% internal vs 41.35% external employees attracted • Enhancement of our recruitment assessment approach by: » Reviewing the use of psychometric assessments to improve the quality of hiring decisions » Objectively assessing candidate capability and potential » Informing targeted development and succession planning for future organisational needs
	Develop co-capabilities	• Future Skills project to drive diversification and align to changing world of work, with coverage at 55% • Recognition of Prior Learning initiative certified 81 employees
	Retain Best Performers	• Strengthened governance and reviewed policies to be future fit • Compelling employee value proposition (EVP) • A market survey conducted to determine our positioning in the market as the market leader, with 90% of our people are pegged correctly in the market • Improved our Group life cover by 100%
Unite and Ignite	Develop a high-performance, safe and trust-based culture	• Launch and implementation of “A better workplace begins with me” campaign through divisional engagement sessions • Embedding of a performance management philosophy and system roll-out for non-management employees • Fostering a healthy relationship with the union • Recognition of long-serving employees
Prevent and Promote	Address non-communicable disease	• First comprehensive workforce metabolic assessment in eight years confirmed the scale of risk: » 66% of employees overweight or obese » 80% not meeting physical activity or nutrition guidelines • Full roll-out across all three clinics, with: » Routine visits for stable patients cut from 12 to four per year » A 31% full-year reduction in hypertension visits, with 1 122 reduced to 777 » Freeing clinical capacity and reducing waiting time • Standardisation of Care advanced through the MR90 metabolic remission pilot, with: » 15 employees enrolled in a structured 90-day diet » Activity and clinical-review intervention » Early results showing meaningful weight reduction, positioning lifestyle change as the complement to medication
	Enhance men-tal health sup-port	• A survey conducted to determine the level of workforce mental wellbeing
Transform and Empower	Develop trans-formational leadership	• Executive and senior management coaching programmes delivered in partnership with leading institutions, with coverage of 35 employees • Personal and Team Mastery development programmes for EXCO, senior and middle management, with 91% coverage • Management development programmes deployed for 27 candidates across New Managers Development Programme (NMDP) and Managers Development Programme (MDP)

Recognising experience, celebrating achievement
In a national first, RES formally recognised the knowledge and skills gained through years of workplace experience, awarding Recognition of Prior Learning (RPL) certificates to 81 employees. This milestone reflects our commitment to empowering employees and acknowledging the valuable contribution they make to the success of our business

EMPLOYEE RELATIONS (ER)

ER maintains human and business outcomes in balance, pairing the fair and consistent treatment of employees with the accountability on which the organisation depends.

Building directly on last year's focus, our work during the year under review strengthened that balance on two fronts, equipping the people at the heart of workplace relationships and digitising the means of ER delivery, enabling both workforce and business to advance together.

Balancing human and business outcomes

- As a result of the workforce demographics workforce planning remains at the core of our human capital operations.
- We make use of psychometric assessments which enhance our recruitment decisions.
- Our assessments assisted us in determining future potential for the talent and assisted with succession-readiness decisions.

Human Outcomes

- Fair and consistent treatment
- Employee voice and engagement
- Wellbeing and dignity at work
- Protected, motivated workforce

Harmonious Employee Relations

Business Outcomes

- Accountability and corrective action
- Productivity and performance
- Compliance and governance
- Consistent, defensive decision

ER fundamntals | The initiatives behind the balance

Capacity Building

First-line management and organised labour

Equipping both sides of the table with a shared grounding in roles and responsibilites, negotiation skills, dispute resolution and the Eswatini legal framework, lifting the quality of every engagement at the consultation and negotiation table

Digitisation of ER Processes

ER Guide Ounline - ER on the go

Real-time, smart reporting that puts ER in the hands of managers, supervisors, and employees wherever an issue arises, bringing consinstency to how discipline is applied. Now live, with full roll-out planned for FY2026/27

Degitising ER delivery

ER drives accountability by ensuring corrective measures are in place and applied consistently. To streamline and automate this, the division introduced ERGuide Online, a platform that:

- Delivers real-time, smart reporting and puts 'ER on the go' in the hands of managers, supervisors and employees wherever a matter arises
- Brings much-needed consistency to how discipline is applied across the workplace

In addition, we have seen:

- Improved employee engagement with the use of HC Systems through our SuccessFactors mobile functionality for employee and manager self-service
- Improved data-led decision making by embedding HC metrices and infographic reporting

LEARNING AND TALENT

Supporting long-term organisational value-creation by:

- Strengthening leadership capability
- Enabling cultural transformation
- Building future-fit skills
- Improving the structures that support:
  - » Talent attraction
  - » Development
  - » Retention
  - » Succession

Our FY2026 focus

Targeted interventions that align human capital investment with:

- Strategic priorities
- The changing world of work

Leadership and management development pipelines

- Supporting continuity in critical roles and improves the organisation's readiness to execute strategic priorities
- Strengthening of succession depth and managerial capability through targeted development pipelines delivered in partnership with leading academic institutions, including:
  - » Executive and senior management coaching programmes
  - » Development programmes for lower and middle managers, reaching 62 managers

Leadership and culture transformation

Commencement in FY2025 of a two-year culture transformation journey to build the leadership capacity required to sustain culture, vision, and execution

Phase 1 focus

- Personal mastery
- Self-awareness
- Team mastery

Creating

- A structured foundation for leaders to strengthen cohesion and lead change from within.
- 263 managers from middle management to EXCO targeted
- 90% participation rate, demonstrating strong leadership commitment to the transformation agenda

LEADERSHIP DEVELOPMENT INTERVENTION MATRIX

EXECUTIVE OVERVIEW — 578 TOTAL CANDIDATES | 6 KEY INTERVENTIONS | SUPPORTING ALL 9-BOX HORIZONS

READINESS PATHWAY

NEW MANAGERS DEVELOPMENT PROGRAMME

TARGET
HiPOs - Supervisors

Stellenbosch Business School

11 CANDIDATES

MANAGERS DEVELOPMENT PROGRAMME

TARGET
HiPOs Middle Managers

16 CANDIDATES

Develop managerial skills for decision-making proficiency. Targeting skills cullimers team proficiency. Driving the 1-3 year cohort.

COACHING FOR GROWTH

Henley Business School

25 CANDIDATES

Improve management effectiveness. Build crucial coaching skills. Anchoring the 1-3 year and ready-now candidates

EXECUTIVE COACHING

TARGET
HiPOs Sinior Managers

10 CANDIDATES

Improve leadership effectiveness and coaching skills. Directly sharpens the capacity of our **Ready-Now** talent.

PERSONAL MASTER KEY

TARGET
HiPOs - Management (T12- EXCO)

K3Y

256 CANDIDATES

Build individual leadership effectiveness for an enabling culture. Enterprisewide self-mastery

TEAM MASTER KEY

TARGET
HiPOs Management (12-EXCO)

260 CANDIDATES

Build collective leadership effectiveness for an enabling culture. High-trust team alignment.

Cultural Baseline

STRATEGIC OUTCOMES: Succession Velocity | Key Competency Closure | Unified organisational culture

EMPLOYEE WELLBEING

As a labour-intensive business, the wellbeing of our employees is paramount, the intent of which is captured by our motto for the year which was also our HC Expo theme *A healthy employee is a productive employee*. We undertook various initiatives in the occupational health, physical and mental domains under this banner.

Balancing human and business outcomes

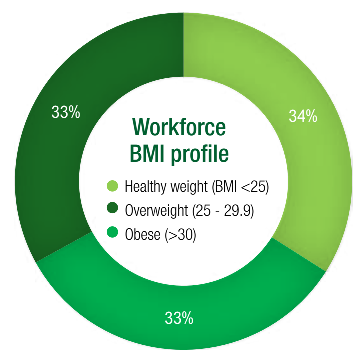
Non-communicable Disease (NCD) Programme

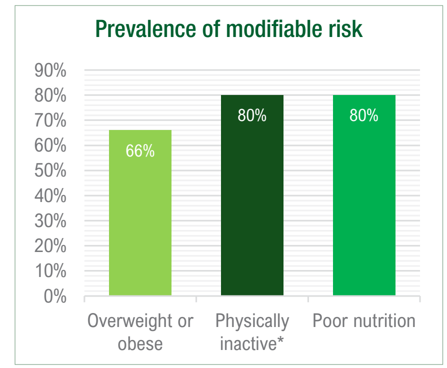
Focus area: *Prevent and Promote*
Largest clinic demand drivers:
- Hypertension
- Diabetes

What we did

- The first employee metabolic NCD baseline in eight years
- A redesigned model of chronic care
- A lifestyle pilot aimed at reversing rather than simply managing disease

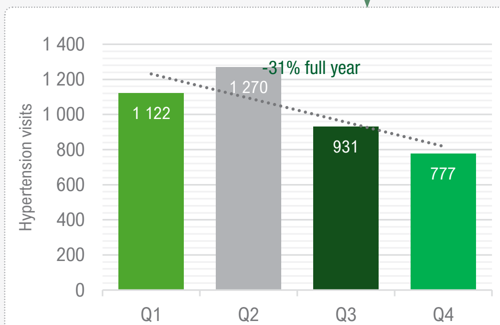
- Two-thirds of employees above a healthy weight
- Four in five falling short of both physical activity and nutrition guidelines:
- A substantial and largely modifiable risk load





These findings, all modifiable drivers of hypertension and diabetes, set the direction for two connected workstreams:
- Releasing clinical capacity
- Targeting risk factors directly

- Routine follow-up for stable patients cut from 12 to four visits a year across all three clinics
- Hypertension visits reduced by 31% (1 122 to 777)
- Employee waiting times shortened



Standardisation of clinical practice across the Lusoti, Mhlume and Ngomane clinics

MR90 Metabolic Remission Programme

A 90-day pilot of lifestyle intervention with 15 employees enrolled, with encouraging early signals:
- Weight reduction, with several participants moving back toward a healthy range
- At least one medication discontinued

66% Overweight or obese (baseline)	**31%** Fewer hypertension visits	**12-4** Visits/year for stable patients	**15%** Enrolled in the MR90 pilot

EMPLOYEE WELLBEING - *continued*

Mental Health

- During the year under review, we held the HC Expo, themed around mental wellbeing as a means of raising awareness.
- More than a third of the workforce attended.
- We assessed mental health alongside metabolic risk in our baseline survey, providing the first combined view of physical and psychological wellbeing.

The Mental Health Programme

Established and ongoing, built around:

- Resilience awareness
- Confidential counselling
- Clear referral pathways
- Reinforced by Wellness Champion training.
- Addresses related psychosocial risks, including alcohol misuse and gambling, with resilience initiatives set to expand in FY2027.

Occupational health

Occupational health activities play a significant role in promoting a health and safety culture.

Protective initiative

We delivered full hazard education across agriculture and factory operations

Medical surveillance

We have instituted initiatives to strengthen the methodology in identifying and managing our work-related risks, including:

- Structured referrals
- A procedural shift to electronic record-keeping

Our priority

To embed surveillance as continuous practice within a preventive, predictive and digitally-enabled care model.

Looking ahead

HC operations

In the short term our focus will remain on:

- Strategic workforce planning
- Talent acquisition, onboarding and off-boarding
- Governance
- Employee experience

Employee relations

In the short term we will put numbers to our relationships and consolidate gains made. In addition:

- Employee engagement will be tracked directly through the Net Promoter Score (NPS) and the Spirit Index
- ERGuide Online will move to full roll-out, showing the impact of disciplinary hearings on the bottom line
- ER Fundamentals training will continue to equip first-line management on initiation of disciplinary hearings and grievance handling
- Recognition and procedural agreements between the Group and organised labour will be reviewed and unified, placing engagement and collective dealings on a firmer, more consistent footing

Learning and talent

In the short to medium term we will continue with:

- Capability and skills development, with in-house supervisory empowerment and technical skills development for lower levels
- Talent management quarterly leadership forums, succession planning, talent discussions and mapping
- Culture transformation, with progress feedback sessions across the business
- Driving employee performance through ongoing performance coaching conversations and the implementation of development plans

Employee wellbeing

In the short term our focus will be on:

- Mental Health
- MR90 rollout
- Establishing awareness of
  - » Peri-menopause and menopause
  - » Good nutrition
- Reviewing the Occupational Risk Exposure Profile

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Promoting Value
OUR INTELLECTUAL CAPITAL

OUR INFORMATION TECHNOLOGY DEPARTMENT

Part of these capitals: Intellectual Capital

Supporting these strategic themes: Operational Excellence; Sustainability Impact; Diversification

The Information Technology Department continues to play a strategic role in enabling the organisation's long-term sustainability agenda through digital transformation, data-driven decision-making, and operational optimisation. Anchored on the RES Simama Wenabe +2B strategic objective of becoming a data-led organisation, the IT function is positioned at the centre of business transformation by driving initiatives that strengthen governance, enhance reporting accuracy, and improve operational efficiency across RES.

During the year under review, the department remained focused on:

- Accelerating organisation-wide adoption of SAP S/4HANA
- Improving enterprise reporting capabilities
- Deepening the strategic use of data to support sustainable growth and informed decision-making across the Corporation

In addition, we successfully:

- Developed the RES Data Management Strategy, aimed at:
  - » Strengthening data governance
  - » Cultivating data management literacy
  - » Improving the quality of decision-making across the organisation
- Developed and promoted awareness of our Artificial Intelligence Acceptable Use Policy to guide ethical and secure AI utilisation

Key initiatives

A central milestone in our digital transformation journey:

- The continued optimisation of the SAP S/4HANA Public Cloud platform following implementation in 2024 as a flagship enabler of:
  - » Integrated business operations
  - » Timely financial reporting
  - » Improved organisational performance management
- Initiatives within the SAP ecosystem, including:
  - » Implementation of the Sustainability Control Tower (SCT), centralising sustainability performance data
  - » Strengthen auditable compliance
  - » Embed sustainability reporting into core business operations
- Leveraging emerging technologies to improve efficiency and accuracy through:
  - » Advancing the adoption of Artificial Intelligence (AI) capabilities through the development of an AI-powered vendor statement reconciliation solution

Looking ahead

We will continue to strengthen the organisation's operational resilience and governance posture through a range of strategic initiatives, including:

- Implementation of the SAP Environmental Health and Safety application
- Upgrade of the Fuel Management System to improve fuel oversight and operational control
- Rollout of cybersecurity enhancements such as:
  - » Privileged account management
  - » Threat monitoring solutions

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Fostering Value

OUR SOCIAL AND RELATIONSHIP CAPITAL

CORPORATE COMMUNICATIONS

Part of these capitals: Social Relationship Capital

Supporting these strategic themes: Sustainability Impact

Our Communication Departments manages internal and external communication, stakeholder engagement, reputation and brand management for the Corporation. Our initiatives support business operations through transparent messaging, employee engagement, community outreach and media relations, in support of operational priorities.

Building relationships and partnering with the media to tell our story

Communication material matters

Material matters for stakeholder groups which informed communication priorities and stakeholder engagement approaches included:

- Internal communication effectiveness
- Employee engagement
- Access to information, including Sweet Connect as an additional communication channel to improve information accessibility and internal reach

Risks we face

With increasing accessibility of AI platforms there is an increased threat of misinformation and reputational risk factors, especially on various social media platforms, with a rise in:

- Fraudulent communications, requiring continuous monitoring, and which include:
- Fake correspondence and job advertisements falsely attributed to the company with the risk of:
  - » Misleading stakeholders
  - » Exposing the public to potential harm

Strategic goals

- Expanding media presence through more proactive engagement and improved visibility of company initiatives such as:
  - » Producing more media articles
  - » Corporate videos
- Improving social media engagement to:
  - » Enhance our social media footprint
  - » Improve interaction and engagement with social media audiences
- Implementation of a media tracker to monitor and analyse the extent and impact of social media coverage

Our key initiative

To mount a targeted media tour aimed at strengthening media relations between the Corporation and improving mutual understanding between the RES and key media stakeholders.

This engagement provided an opportunity to clarify business operations, providing:

- The media context of strategic priorities
- Reinforcement of accurate reporting to enhance visibility on local media platforms

Overall performance

Fair, with some targets still in progress and therefore retained as ongoing priorities

Looking ahead

Short term

- Prioritise misinformation control
- Improve response times on the info email to ensure timely, accurate stakeholder engagement

Medium and long term

- Enhancement of digital platforms
- A more robust focus on the integration of operational functions
- To evolve into a strategic enabler of:
  - » Organisational resilience
  - » Brand reputation
  - » Sustainable value creation

OUR CORPORATE SOCIAL INVESTMENT

Material Matters

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Material matter	Outcome	Mitigation
• Climate change • Water scarcity • Environmental degradation	CSI demand and prioritisation reflecting community vulnerability	Pressure on CSI resources require the integration of climate resilience into programme design to ensure sustainable outcomes
High levels of unemployment, income insecurity and socio economic inequality in fenceline communities	Shape CSI focus areas, particularly youth development, women empowerment and livelihood creation	• CSI interventions mitigating immediate risks • Long term impact dependent on scalability and sustainability of income generating initiatives
• Stakeholder complexity • Community governance capacity • Land-related sensitivities	Influence the pace and effectiveness of CSI implementation	Maintaining trust and social cohesion is critical to programme continuity and the preservation of the Corporation's social licence to operate

Requiring mitigating action through

Strengthening of:
- CSI governance
- Stakeholder engagement
- Impact tracking

Entrenching into programme design, through the embedment of the ABCD approach, of:
- Climate resilience
- Capacity building
- Sustainability considerations
- Strategic partnerships and alignment with broader ESG priorities

Challenges we face

Extreme weather conditions impacted business performance which in turn directly affected:
- CSI resourcing
- Increasing community vulnerability
- Livelihoods of small-scale sugarcane farmers or out-growers in Fenceline communities within the RES shared environment, resulting in increasing dependence on and expectations from RES

Our CSI Performance

Outcome Area	Performance Indicator	FY2025/26 Performance	Status
Community-Led Development	Number of community development committees trained on Asset Based Community Development (ABCD)	• 10 Development committees trained on ABCD • All committees developed asset maps and registers • ABCD governance structures developed	✔
Enterprise Development and Livelihoods	Number of youth and women enterprise initiatives supported	• 10 Youth business supported with operating structures • 2 market shelters in two communities benefiting 20 women	✔
Water and Community Infrastructure	Number of households benefiting from water infrastructure projects	2 Solar water projects commissioned at Maphiveni and Nsonta communities benefitting 400 homesteads	✔
Health, Sports Development & Social Welfare support	Number of participants reached through sports and social welfare initiatives programmes	• More than 4 100 youth reached through Siyakha 1800 Youth Soccer Development Programme; more than 3 000 participants engaged through Sakhelene Community Soccer Leagues; approximately 800 small businesses benefited from match-day trading opportunities • Partnership support and resource mobilisation efforts by health & social impact organisations in areas of; hospice & rehabilitation care, autism & epilepsy awareness and management efforts, ending malaria, animal welfare, men's health and curbing gender-based violence.	✔
Education and Skills Development	Number of schools and bursary students supported	• 7 estate schools provided with education support for teachers' performance incentives, transport cost, school feeding programs and ICT material • 4 fenceline community students university bursary support	✔

Continues on the next page

OUR CORPORATE SOCIAL INVESTMENT *- continued*

Continued from previous page

Overall Performance Outcome

Through various interventions, RES advanced its strategic objective of maximising economic and social impact by strengthening community livelihoods, improving access to essential services, promoting education and wellness, supporting vulnerable groups, and leveraging partnerships to create sustainable community value.

Strategic Objective	CSI Focus Area	FY2025/26 KPI Contribution	Intended Economic & Social Impact
Maximise sustainable economic and social impact in communities	Community-Led Development	Implementation of the Asset-Based Community Development (ABCD) Programme, including community capacitation, asset mapping, and governance structures	• Empower communities to identify and leverage local assets • Ensure sustainable, community-owned development outcomes.
	Enterprise Development & Livelihoods	Implementation of community enterprise development initiatives	• Create income-generating opportunities • Support entrepreneurship • Promote self-reliance and strengthen local economic participation.
	Water & Community Infrastructure	Delivery of community water projects and related infrastructure initiatives	• Improve access to safe water • Enhance public health, reduce vulnerability, and support community development and productivity.
	Health, Sports Development & Social Welfare Support	Implementation of community sports programmes focused on health, youth development, and social cohesion	• Promote healthy lifestyles, youth engagement, social inclusion, talent development, and community wellbeing. • Support vulnerable groups, improve social wellbeing, promotes inclusion, and strengthens community resilience.
	Education & Skills Development	Provision of education support to RES estate schools and fence-line community schools	• Improve access to education • Develop future skills, enhance employability, and contribute to long-term socio-economic development.

CSI performance for the year under review reflects

- Delivery effectiveness
- Strong alignment to strategic intent,
- Tangible social impact in fenceline communities
- Strategic foundations largely established
- Operational execution was successful across all intended focus areas
- Only limited refinement required to fully complete the stakeholder management framework

Potential future impacting factors

Short term

- Overall business performance as CSI mandate will be highly dependent on the Corporation's financial performance.
- Incomplete or misalignment with national priorities community leadership, or partners may slow implementation and affect programme sustainability, especially where stakeholder frameworks are still being embedded or proving unsuccessful.

Medium term

- Competing priorities and currently limited internal or partner capacity may often affect project coordination, monitoring, and reporting quality

Long term

- Persistent poverty, youth unemployment, and education system constraints may limit the systemic impact of CSI without broader partnerships,
- These structural socio-economic challenges will require scalability and financial sustainability for long-term impact

Looking ahead

Short term

- Strong delivery
- High demand
- Community expectation pressure

Medium term

Outlook remains positive, dependent on:

- Sustainability
- Systems strength
- Improved team future-fit capacitation and resourcing

Long term

Strong potential, conditional on:

- Strategic resilience which could be achieved through the establishment of a future CSI Foundation

BECAUSE WE CARE

SIYAKHA 1800 Youth Soccer Programme: engaging over 4 000 young people annually through soccer clinics and league participation

SAKHELENE Community Soccer Leagues: using sport to strengthen social cohesion, youth development and environmental stewardship

Solar-powered water systems: expanding potable water access for the Nsonta and Maphiveni communities, improving the livelihoods in 400 more homesteads

Maganu Festival: celebrating cultural heritage and strengthening community identity

Youth enterprise development: enabling 10 more young women entrepreneurs to build sustainable livelihoods through provision of retail kiosks

Asset Based Community Development workshops: shifting communities from beneficiaries to empowered growth partners

Lubombo Marathon sponsorship: investing E67 000 to promote health, tourism and local economic activity within our operating area

Sports and Recreation Aerobathon: promoting active lifestyles, wellness and community connection

Health partnerships: supporting autism, epilepsy, malaria, ending GBV and animal welfare organisations with their initiatives that improve community wellbeing

THEMBELISHA PREPARATORY SCHOOL

> As we approach our twentieth anniversary, Thembelisha builds on a legacy of world-class, values-based education; nurturing confident, compassionate and capable young people, prepared to thrive in a dynamic and ever-changing world.

Thembelisha Preparatory School continued to demonstrate excellence in both academic achievement and holistic learner development throughout the 2025/2026 year. As Eswatini implemented the Competency-Based Education (CBE) assessments for the first time, Thembelisha approached the transition with confidence; supported by the strong inter¬national standards embedded in its curriculum. The school achieved a 100% pass rate, with more than 50% of learners attaining the highest achievement level (Excellent). A particular highlight was Nelisa Dlamini, who was recognised as the top-perform¬ing learner in the country.

Beyond the classroom, Thembelisha successfully hosted ISASA sporting events, continued to strengthen its Digital Literacy and Robotics programmes, and deepened learners' environmental awareness through Project Weeks and educational excursions that connected classroom learning with real-world experiences. The school also celebrated a vibrant whole-school Swazi Cultural Day and invested in staff development through participation in international professional learning opportunities, including the Proudly Primary Conference and the ISASA Heads' Conference.

The year also marked a significant milestone as the school celebrated Gina Marucci who served Thembelisha as Principal for 12 years. Her leadership laid a strong foundation for the school's continued growth, and we now carry the baton forward with commitment. This transition left big shoes to fill, and the delayed recruitment presented operational challenges. Nevertheless, staff demonstrated unwavering commitment to maintain high-quality teaching and learning for every child.

Looking ahead

Short term

Celebrating our 20th anniversary - Honouring the school's rich history while embracing a bold vision for the future

Medium term

- Strengthening Thembelisha as one united school
- Building on academic excellence, expanding digital literacy, robotics and environmental education
- Investing in staff development, attracting and retaining exceptional staff

Long term

Developing confident, compassionate and capable young people who are equipped to contribute positively to an ever-changing world.

OUR ENVIRONMENTAL STEWARDSHIP

Supporting these strategic themes: Financial, Impact

Sustainability is central to how we operate and create long-term value. As a business operating within a resource-intensive agricultural sector, we recognise our responsibility in managing our impacts on the economy, environment and society in a deliberate and structured manner.

Our environmental, social and governance (ESG) philosophy

Our ESG approach and practices of the RES recognise, align with, and support the achievement of our vision, mission and strategy, and in doing so, we:

- Embrace the values of integrity, delivery, and respect in our interactions with all internal and external stakeholders and within RES operations.
- View ESG as a critical functional area of our overall governance framework and as a business imperative.

We subscribe to the leading sustainability reporting frameworks and standards, which stipulate that ESG should be integrated into day-to-day activities, processes and standard operating procedures of RES by management.

To this end, and to support the embedding and implementation of sustainability accountabilities, we have established a Sustainability Function with defined ESG roles and responsibilities to assist both management and employees in this regard.

In addition, the Board has delegated responsibility to its Risk Committee to:

- Oversee ESG matters
- Monitor ESG at the highest level
- Assist the Board in the discharge its ESG responsibilities

Our sustainability material matters

We follow a double materiality determination process to identify our sustainability material matters.

Financial materiality
Impact on our ability to generate revenue and preserve shareholder value over time

Impact materiality
Our impact on society, communities and the environment

Double materiality determination process

Identifying our sustainability **material matters**

Aligning with these 11 UNSDGs

Continues in the next page

Our sustainability material matters

Social

- Child labour
- Community development
- Employment
- Food safety
- Forced or compulsory labour
- Freedom of association and collective bargaining
- Health and wellness
- Land and resource rights
- Living wages and income
- Occupational health and safety
- Outgrower enablement
- Peace and stability
- Talent scarcity
- Training and development

Environmental

- Climate adaption and resilience
- Climate change impact
- Emission
- Energy
- Natural ecosystem conversion
- Soil health
- Waste
- Water and effluents
- Supplier social and environmental assessment

Economic

- Anti-corruption
- Compliance
- Economic impact
- Procurement practices
- Supply chain traceability

OUR ENVIRONMENTAL STEWARDSHIP - *continued*

Continued from previous page

SDG	Objective	Our contribution
3	Ensure healthy lives and promote well-being for all.	We support employee and community health through occupational health and safety programmes, wellness initiatives, medical support services, and HIV/AIDS awareness programmes.
5	Achieve gender equality and empower all women and girls.	We promote equal employment opportunities, diversity and inclusion initiatives, and women participation across agricultural and operational activities.
6	Ensure availability and sustainable management of water and sanitation.	We practice responsible water stewardship and have invested in improving water efficiencies, water treatment plants and wastewater management.
7	Ensure access to affordable, reliable, sustainable, and renewable energy.	We contribute through energy efficiency initiatives and renewable energy generation opportunities such as cogeneration from bagasse and cleaner energy solutions.
8	Promote sustained, inclusive, and sustainable economic growth and productive employment.	We are a significant employer and economic contributor in Eswatini, supporting jobs, skills development, local procurement, and economic growth within the sugar value chain.
9	Build resilient infrastructure, promote sustainable industrialisation, and foster innovation.	We support industrial development through sugar manufacturing infrastructure, operational innovation, agricultural modernisation, and technology improvements.
11	Make cities and human settlements inclusive, safe, resilient, and sustainable.	We support community infrastructure development, housing, roads, social amenities, and community resilience in operational areas.
12	Ensure sustainable consumption and production patterns.	We contribute towards this goal through waste management, efficient resource use, circular economy opportunities, and environmental management systems.
13	Take urgent action to combat climate change and its impacts.	We contribute through greenhouse gas management, climate resilience initiatives, renewable energy opportunities, sustainable agriculture, and emissions reduction programmes.
15	Protect terrestrial ecosystems, forests, and biodiversity.	We impact land use through farming operations and contribute through biodiversity conservation, sustainable land management, rehabilitation, and ecosystem protection initiatives.
17	Strengthen implementation and global partnerships for sustainable development.	We collaborate with government, communities, industry associations, NGOs, growers, and development partners to advance sustainability and socio-economic development.

Our performance

Our achievements during the year under review included:

- **The publication of our inaugural sustainability report,** constituting a significant step forward in transparency and accountability.
- **Strengthening our environmental stewardship** through the completion of:
  - » A greenhouse gas (GHG) baseline assessment
  - » A comprehensive climate risk assessment accompanied by a mitigation and resilience plan
  - » A biodiversity baseline assessment to better understand and manage our ecological impacts
- **Bonsucro certification**, attained by Simunye Mill, reinforcing our commitment to responsible and sustainable sugar production.
- **The Tshaneni Wastewater Project**, completed during the year, marking a significant step forward in strengthening our environmental management infrastructure, and involving:
  - » The merging of multiple sewer ponds
  - » The construction of a purpose-built wetland and a chlorination station to enhance treatment processes, resulting in more efficient wastewater management, improved effluent quality, and reduced environmental risk *(for more info see page 44* ***Sustainability Report****)* 44
- **Continued investment in our people and communities** through our ABCD approach, recognising that inclusive growth underpins long-term value creation. *(For more on* ***stakeholder relationships****, see page 26.)* 26

Continues in the next page

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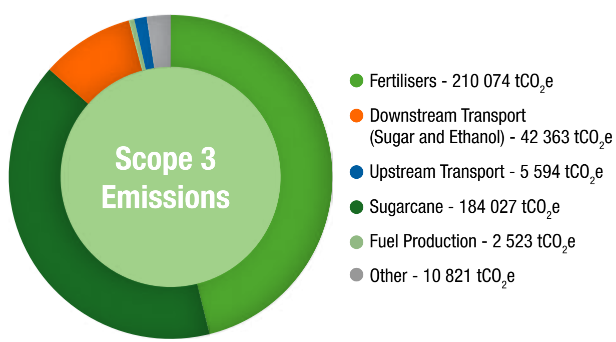
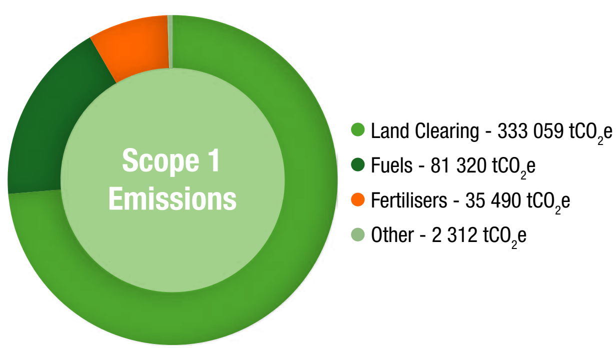
Greenhouse gas (GHG) baseline results

GHG Inventory according to GHG Protocol	2025 Emissions Tonnes carbon dioxide equivalent (tCO_2e)
Scope 1: Direct GHG emissions and removals	452 181 tCO_2e
Scope 2: Indirect GHG emissions from imported energy	4 293 tCO_2e
Scope 3: Other indirect emissions that occur in the value chain	455 403 tCO_2e
Total Scope 1, 2 and 3	911 876 tCO_2e
Outside of Scope (Woodchips and bagasse)	1 422 578 tCO_2e





Challenges we faced

Challenges

- Climate variability
- Global market volatility
- Evolving sustainability regulatory and reporting requirements
- Increasing stakeholder expectations

Our response

- Strengthen resilience by embedding climate adaptation measures
- Enhance operational efficiency
- Diversify revenue streams to withstand environmental and market uncertainties
- Proactively align with evolving regulatory requirements
- Maintain strong governance and risk management practices
- Build trust and ensure strategy remains responsive to emerging expectation through continuous stakeholder engagement and transparent reporting

Our ongoing actions

- Improving water and energy efficiency
- Reducing greenhouse gas emissions
- Advancing sustainable agricultural and waste management practices
- Deepen socio-economic development within our communities

Underperformance of the Simunye Effluent Treatment Plant highlighted the need to accelerate improvements in infrastructure reliability and environmental performance.

While no untreated effluent was discharged, this remains a priority area for corrective action.

How we manage water and effluents

We abstract water from two river basins:

- Mbuluzi River Basin for Simunye Estate
- Komati for the Mhlume Estate

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The **Water Resources Department** manages surface water resources by:

- Collecting and aggregating the different weekly water demands and determining what has to be abstracted and when this should take place
- Water orders are then communicated to the operators at Mnjoli, for Simunye Estate and KOBWA for the Mhlume Estate
- Recording and reporting water abstracted to the Department of Water Affairs, through the RBAs and KOBWA
- Reconciling weekly, monthly and annual usage against allocations awarded at river basin level

Effluents are managed by the **Property Services Department** 71

Addressing water-related impacts through

Continues in the next page

OUR ENVIRONMENTAL STEWARDSHIP *- continued*

Continued from previous page

Addressing water-related impacts through

- Operational efficiency
- Stakeholder collaboration
- Catchment-level initiatives, comprising:
  - » Conversion to high-efficiency drip irrigation systems
  - » Irrigation scheduling support for small-scale farmers.
  - » Participation in River Basin Authorities
  - » Collaboration with stakeholders on water allocation, compliance, and dispute resolution
  - » Catchment rehabilitation and ecosystem restoration initiatives

Looking ahead

Short term

- Strengthening governance
- Enhancing compliance
- Building internal systems required to effectively manage environmental and social risks, including:
  - » Improving data management
  - » Strengthening accountability
  - » Embedding sustainability considerations into operational processes

Medium term

- Integrating sustainability into day-to-day decision-making
- Driving efficiencies in water and energy use
- Strengthening climate resilience
- Advancing responsible agricultural practices
- Improving stakeholder engagement across our value chain

Long term

- Position RES as a leader in sustainable sugar production and renewable products
- Move beyond risk-management towards creating positive impact by contributing to:
  - » Environmental regeneration
  - » Inclusive economic growth
  - » Resilient communities
- Viewing sustainability not as a compliance requirement, but as a strategic enabler of resilience, innovation, and competitiveness

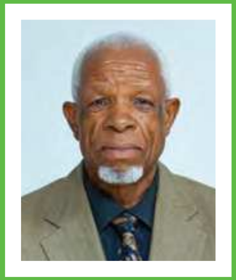
Water stewardship in action
The careful management of water resources remains central to our environmental commitment, ensuring that this precious resource is conserved, protected, and used efficiently across our operations.

12 Securing Value

RES is committed to rigorous and diligent corporate governance and remains guided by best practice and by the code of corporate practice and conduct contained in the King Codes Report on Corporate Governance for South Africa, as well as by other international guidelines on corporate governance.

Our Board Members

Dr AT Dlamini
CHAIRMAN
R NE TS



Mr Jameson Gule
MEMBER
A TS

Mr Mike Shongwe
MEMBER
RSE

Mr Nick Jackson
EXECUTIVE MEMBER
NE TS

Mr Robert Field
MEMBER
R

The Board comprised of one executive and ten non-executive directors.

Secretary
Secretary L Masango

Registered Office
Simunye Sugar Estate
P O Box 1
Simunye

HRH Princess Lomajuba
MEMBER
TS

Chief Zibuse Ndlangamandla
MEMBER
RSE

Ms Busangani Mkhaliphi
MEMBER
A

Mr Zombodze Magagula
MEMBER
R RSE

Mr Andrew Westermeyer
MEMBER
A

Dr Mrs Oluwatoyin Madein
MEMBER

R Remuneration Committee | A Audit Committee | RSE Risk, Social and Ethics Committee | NE Committee on Non-Executive Remuneration | TS Technical and Support Services Committee

DR AT DLAMINI

Chairman

BCom; MBA

Nationality: LiSwati

Dr Absalom Themba Dlamini is the current Managing Director of Tibiyo TakaNgwane, and the former Prime Minister of the Kingdom of Eswatini. He has held executive positions in various local institutions, such as the Central Bank of Eswatini, Eswatini National Provident Fund and Eswatini Industrial Development Company. He currently serves on other Boards including Ubombo Sugar Limited, Mananga Sugar Packers and Royal Villas. He has received awards and honours from amongst others His Majesty King Mswati III and the President of the Republic of China in Taiwan.

MS BUSANGANI MKHALIPHI

Non-Executive, Non-independent Member

MBA, BCom, Dip.; Accounting and Business Studies

Nationality: LiSwati

Busangani G. Mkhaliphi is employed by the Ministry of Finance as Director of the Public Enterprises Unit. She also worked for the Ministry of Agriculture under the Monitoring and Evaluation Unit. She serves on the Board of Directors of the Eswatini Royal Insurance Corporation as well as the Asset Liability Matching and Investment and Risk Committees.

CHIEF ZIBUSE NDLANGAMANDLA

Non-Executive, Non-independent Member

Dip. Accounting

Nationality: LiSwati

Chief Zibuse Ndlangamandla is the traditional leader of Manyandzeni community in the Shiselweni District, Eswatini and a businessman and farmer. He is responsible for providing strategic direction on economic and social development matters of the community. He is also a member of His Majesty the King's Advisory Board.

MR JAMESON GULE

Non-Executive, Non-independent Member

MBA; CIS; Diploma in Business Studies; Dip. Farm Management; Cert. Finance Management

Nationality: LiSwati

Jameson Gule currently serves as Tisuka TakaNgwane director. He has held several managerial positions, including being the former General Manager Corporate Affairs at Tibiyo TakaNgwane, prior to which he was Managing Director of The Eswatini Observer. He has also served as a director on the Boards of The Eswatini Observer, Maloma Colliery Ltd, Eswatini Cane Growers Executive Committee, SSA Finance and the Eswatini Sugar Industry Board.

MR ROBERT FIELD

Non-Executive, Non-independent Member

PGDip Accounting; Chartered Accountant SA

Nationality: South African

Robert Field is the Chief Financial Officer of RCL Foods Limited, a position he has held since July 2004. Prior to that he spent four years as the Commercial Director of Robertsons Homecare Proprietary Limited. Having qualified as a Chartered Accountant CA (SA) with Deloitte in 1996, he has spent his entire career within the Finance and commercial domain in the consumer goods industry.

HRH PRINCESS LOMAJUBA

Non-Executive, Non-independent Member

BSc in Hotel, Restaurant and Tourism Management

Nationality: LiSwati

HRH Princess Lomajuba is an experienced director with vast corporate experience having served on numerous Boards. She is currently a director of the Eswatini Electricity Company, the Firearms Licensing Board and the Minerals Management Board. She previously worked as an Assistant Manager at Shoney's Restaurant in the United States where she honed her skills in the hospitality industry.

MR ANDREW WESTERMEYER

Non-Executive, Non-independent Member

PGDip Accounting; Chartered Accountant SA

Nationality: South African

Andrew Westermeyer has held various financial and commercial positions in RCL Foods and is currently the Financial Director. After qualifying as a Chartered Accountant CA (SA) in 2002 he spent a year on secondment with Deloitte in Luanda, Angola.

MR ZOMBODZE MAGAGULA

Non-Executive, Non-independent Member

LLB; LLM (Insurance Law); Master's in Sports Organisation Management; Post-grad. Dip (International Law)

Nationality: LiSwati

Zombodze Magagula practices law under the style Mlangeni and Company Attorney. He is also a consultant for United Holdings and its subsidiaries, an insurance group of companies, a member of the Board of Trustees of Sibaya Provident and Pension Fund, and a Member of the Board of Directors of Standard Bank.

MR NICK JACKSON

Executive Member

BSc (Hons) Biochemistry

Nationality: LiSwati

Nick Jackson is the Managing Director and is the only executive Board member. He also serves on several other Boards, including Mananga Sugar Packers, the Eswatini Sugar Association and Business Eswatini. Prior to joining RES, he was the CEO of the Guyana Sugar Corporation in the Caribbean.

MR MIKE SHONGWE

Non-Executive, Non-independent Member

MDP; Dip Creation and Development of SMEs

Nationality: LiSwati

Mike Shongwe is a former career banker and is now a businessman and Eswatini franchisee of PostNet SA. He retired as Head of the SBSA Community Banking Fund, a broad-based black economic empowerment (B-BBEE) initiative after 38 years of commercial/retail banking, including seven years as Executive Director of Inhlanyelo 'Seed Capital' Fund. He has served on various boards and committees, including at inception a director of FINCORP, Chairman of SEDCO and member of the government task force appointed to review and propose a framework for SME financing in Eswatini.

DR OLUWATOYIN MADEIN

Member (Retired 27 March 2026)

Higher National Diploma (Accountancy); Postgraduate Diploma and MBA; Doctor of Business Administration (Honoris Causa); Doctoral degree in Management Finance

Nationality: Nigerian

Dr. Oluwatoyin Madein, is the Accountant-General of the Federation of Nigeria, a member of the Association of Chartered and Certified Accountants (ACCA)-UK, a member of the Association of National Accountants of Nigeria, and the Institute of Chartered Accountants of Nigeria (ICAN). For over 30 years she has worked for the Federal Civil Service as Accountant, Financial Manager and Internal Auditor. She also served in various ministries in Abuja. Prior to the Federal Civil Service, she worked as an Executive Officer (Accounts) in Ogun State Property and Investment Corporation (OPIC), Abeokuta.

BOARD DIVERSITY

Age	No. of directors
40-49	1
50-59	5
60-69	2
70+	3

BOARD TENURE

Tenure (years)	No. of directors
0-3	1
4-6	3
7-9	1
10+	7

COMBINED BOARD SKILLS AND EXPERTISE

- Executive and strategic leadership
- Finance, Investments/Mergers, and acquisitions
- Technical/Engineering/Operations management
- Sugar industry/Ethanol business
- Corporate governance
- Human capital, talent development and industrial relations
- Banking
- Sustainability
- Environmental management/Climate change
- Risk/Compliance management
- Stakeholder management
- Board experience in a listed company
- International trade/Business
- Diplomatic relations management
- Public relations/Communication

BOARD AND SUBCOMMITTEE ATTENDANCE – APRIL 2025 TO MARCH 2026

Board Member	Nature of Meeting									
	Board		Audit		Risk, Soc, Ethics		RemCo		Technical	
	SM	AM	SM	AM	SM	AM	SM	AM	SM	AM
Dr AT Dlamini[1]	4	2	-	-	-	-	2	2	2	2
Chief ZN Ndlangamandla	4	4	-	-	3	3	-	-		
ZR Magagula[2]	4	4	-	-	3	3	2	2		
MSM Shongwe	4	4	-	-	3	3	-	-		
JN Gule	4	4	3	3	-	-	-	-	2	2
NM Jackson[3]	4	4			3	3				
R Field	4	4					2	2		
B Mkhaliphi	4	4	3	3	-	-	-	-		
HRH Princess Lomajuba[4]	4	4	-	-	-	-	-	-	2	2
A Westermeyer[5]	4	4	3	3	-	-	-	-		
Dr (Mrs) Oluwatoyin Madein[6]	3	-								
Dr A Takang	1	1	-	-	-	-	-	-		

Legend

SM Number of scheduled meetings held during the period in which the director was a member of the Board and/or subcommittee

AM Number of scheduled meetings attended by directors as a member of the Board and / or subcommittee

1. Board and Remuneration Committee Chairman
2. Risk, Social & Ethics Committee Chairman
3. Managing Director
4. Technical and Support Services Committee Chairman
5. Audit Committee Chairman
6. Retired on 26 March 2026
7. Appointed on 27 March 2026

GOVERNANCE OVERVIEW

During the year under review, the Board executed all its scheduled activities as set out in the Board Charter.

Board structure

The RES Board has a unitary structure, comprising ten non-executive directors (including one elected exclusively by small shareholders) and one executive director. The directors are not regarded as independent within the definition of King Codes on Corporate Governance (King), as they are all shareholder appointees. We are of the opinion that this does not affect the Board's independence, as all directors exercise independent judgment in all Board deliberations with the main objective being the achievement of the governance outcomes outlined in the King Codes, while also adhering to policies concerning directors' conduct. These policies are aimed at ensuring that directors perform their fiduciary duties diligently in the best interests of the Corporation and its stakeholders.

We review and enhance our governance structures and practices on an ongoing basis. Our aim is to incorporate recommendations on good governance that suit our circumstances and contribute to delivering sustainable growth in the interest of all stakeholders.

Board responsibilities

Corporate governance is the responsibility of both the Board and executive management, with a culture of good governance embedded throughout the organisation. The ultimate responsibility for good corporate governance rests with the Board of Directors.

RES supports the governance outcomes (Ethical leadership, Performance, Effective Control and Legitimacy), principles and practices as set out in the King Reports.

RES applies all King IV principles applicable to RES's operations. Below is a summary of how the King IV principles are implemented to achieve the governance outcomes and planned activities to improve and embed the highest standards of corporate governance.

OUR APPLICATION OF KING IV

The Board is confident that its practices assist in embedding the highest standards of corporate governance and serve as a solid foundation for the transition to the recently issued King V Report on Corporate Governance.

RES embraces King V's emphasis on governance outcomes and reiterates its commitment to lead sustainable value creation processes through the intentional outcome-driven implementation of good governance practices.

GOVERNANCE OUTCOME: Ethical culture leadership, ethics and corporate citizenship

Principle 1	Leadership
The Board should lead ethically and effectively	RES's Board exercises ethical and effective leadership. The Board Charter, Code of Ethics and the Code of Conduct set the ethical foundation for RES's operations and require directors to act in good faith and in the best interests of RES. The Code of Ethics is designed to ensure the effective management of ethics and applies to directors, employees, contractors, and suppliers. Directors annually declare conflict of interests. The Board charter outlines parameters the Board operates in as part of ensuring application of good corporate governance principles. In line with its commitment and support for a sustainable business the Board considers, inter alia, the company's impact on the economy, society, environment and its stakeholders, as well as RES' s best interests and risks and opportunities. The Board sets the strategic direction, and the Managing Director is responsible for strategy execution. The Board monitors management's execution and remains accountable for achieving strategic objectives and other positive outcomes, including the company's performance. The directors exhibit the required ethical characteristics of integrity, accountability and duty of care.

Principle 2	Organisational Ethics
The Board should govern the ethics of the company in a way that supports the establishment of an ethical culture	The Board has set the tone for an ethical culture and oversees company's ethics in business practices and engagements with our stakeholders. RES has a zero-tolerance for actions taken in breach of the values of Integrity and Respect. Our Board approved policies, integrate the principles of human rights, specifies ethical business conduct and allows no tolerance for discrimination, corruption or bribery. The Code of Ethics guides interactions with all stakeholders and sets the framework to address the company's key ethical risks. Our procurement processes ensure transparent supplier selection and promote our commitment to ethical conduct. Organisation-wide ethics awareness sessions are conducted on an ongoing basis to embed an ethical culture. A whistle-blower line operated by an independent service provider, enable employees and other stakeholders to report, confidentially and anonymously, allegations of any unethical or misconduct and enhances our strong ethical foundation.

OUR APPLICATION OF KING IV- *continued*

GOVERNANCE OUTCOME: Ethical culture leadership, ethics and corporate citizenship - *continued*

Principle 3	Responsible corporate citizenship
The Board should ensure that the company is and is seen to be a responsible corporate citizen	In terms of the Corporate Citizenship Policy, the Board is responsible for ensuring the company protects, enhances and contributes to the wellbeing of the economy, society and the natural environment. The Board constantly monitors operations and activities to determine the company's performance as a responsible citizen and adherence to policies on SHEQ, sustainability and stakeholder engagement. Details on our corporate citizenship activities are covered in our Sustainability Report.

GOVERNANCE OUTCOME: Good performance-strategy, performance and reporting

Principle 4	Strategy and performance
The Board should appreciate that the company'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, approves and monitors the implementation of RES's strategy and long-term business plan, reviews key risks and opportunities, material sustainability issues, and evaluates performance against the background of economic, environmental and social issues applicable to the company as well as national, geo-political developments and economic conditions. Initiatives in support of the strategy are cascaded for oversight to relevant Board subcommittees to ensure strategy execution by management, and timely conversations within the company's governance structures. In addition to the annual review of the Strategy and risk register, we continuously monitor the impact of external and internal factors on the achievement of the strategy and our risk profile. Progress on the company's performance against its strategic objectives is covered in the section on Strategy on page 39.

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Principle 5	Reporting
The Board should ensure that reports issued by the company enable stakeholders to make informed assessments of its performance, and its short, medium and long-term prospects	The integrated annual report and other statutory publications as well as voluntary disclosures, such as the Sustainability Report provide a comprehensive review of RES's performance in terms of the Group's financial, economic, social, environmental and governance performance on matters material to its strategy and key stakeholders. Reporting adheres to recognised guidelines (IFRS, King IV, and other the International Sustainability Standards/ GRI Standards) that ensure compliance with legal requirements and meet stakeholders' needs. The Board, through the Audit and Risk, Social and Ethics committees ensure necessary controls are in place to verify and safeguard the integrity of the annual reports and any other disclosures. The Audit Committee reviews the annual financial statements and integrated report. The company ensures that annual reports, including the annual financial statements, integrated annual report, and other information relevant to stakeholders are published on its website.

GOVERNANCE OUTCOME: Effective control governing structures and delegation

Principle 6	Roles and responsibilities of the Board
The Board should serve as the focal point and custodian of corporate governance in the company	Application of the King IV governance principles embed and strengthen recommended practices through the group's governance structures, systems and processes. The Board has an approved charter, which is reviewed every two years. This sets out its governance responsibilities. The Board Charter provides an approved protocol to be followed in obtaining independent, external professional advice at the company's expense on matters within the scope of their duties. There are necessary policies and processes to ensure adherence to set requirements and governance standards.

Principle 7	Composition of the Board
The Board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities	The Board comprises mostly of non-executive directors and whilst they are shareholder appointees (in line with Articles of Association), they bring independence to bear in interrogating issues. Details on the Board's composition is contained under Board diversity, Board tenure and Combined skills and expertise on page 98. A formal induction is available for new directors, covering background material on the company's business and Board matters, guidance on directors' duties and responsibilities, and meetings with senior executives. Director development takes place on an ongoing basis. Site visits to operations take place periodically and directors receive regular briefings on legal and other developments, including changes in the business and business environment. The roles of the executive chairman and chief executive officer are separate and clearly defined.

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Principle 8	Board Committees
The Board 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	The Board has four standing committees to assist in discharging its duties and responsibilities, being the Audit; Risk, Social and Ethics; Non-executive directors' remuneration; and Remuneration committees. Committees are mainly constituted by non-executive directors. These have written terms of reference approved by the Board and are reviewed every two years. Ad hoc committees are established for specific assignments. Members of the executive and senior management and external advisors attend committee meetings by invitation. The delegation by the Board to its sub- committee does not in any way constitute a discharge of its accountability.

Principle 9	Appointment and delegation to management
The Board should ensure the evaluation of its own performance and that of its committees, its chair and individual members, support continued improvement in its performance and effectiveness	Performance evaluation is done at Committee/Board level instead of evaluation of the individual director's performance.

OUR APPLICATION OF KING IV - *continued*

GOVERNANCE OUTCOME: Effective control governing structures and delegation - *continued*

Principle 10	Appointment and delegation to management
The Board should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities	Subject to matters reserved for itself, the Board has delegated authority to the Managing Director (his executive committees and senior managers) to run the day-to-day affairs of the company. He is accountable to the Board for the successful implementation of our strategy as well as overall management and performance of the group. The Company Secretary is appointed by the Board in line with the Companies Act and Articles of Association. The Board is satisfied that she is properly qualified and experienced to competently carry out the duties and responsibilities of a company secretary.
Principle 11	**Risk governance**
The Board should govern risk in a way that supports the company in setting and achieving its strategic objectives	The ultimate responsibility for risk management rests with the Board, which has delegated specific risk management responsibilities to its subcommittees, mainly the Audit and Risk, Social and Ethics Committees. These Board sub-committees are supported by executive management committees. An enterprise risk workshop to determine risks to the achievement of strategic objectives and develop risk mitigation measures is held annually and identified risks are monitored quarterly. There is in place a process for identifying and managing emerging risks. Management is tasked with the responsibility for embedding the risk management process in the business. The Enterprise Risk Manager is the custodian of the risk register.

GOVERNANCE OUTCOME: Effective control

Principle 12	Appointment and delegation to management
The Board should govern technology and information in a way that supports the company in setting and achieving its strategic objective	The Risk, Social and Ethics Committee assist the Board with technology and information governance. Implementation of the information and technology strategic objectives (which are cascaded from the corporate wide strategy) is delegated to management. The strategy has taken cognisance of digitalisation, recent technological developments, artificial intelligence, data analytics cyber security and data protection. Details are provided under IT on page 83.
Principle 13	**Compliance governance**
The Board should govern in compliance with applicable laws and adopted non-binding rules, codes and standards in a way that supports the company being ethical and a good corporate citizen	The Board has fulfilled its compliance responsibilities as set out in the Board Charter, Companies Act and the Company's Articles of Association. The Board has also maintained its compliance with standards of corporate governance (King IV and ISO) and maintained an effective framework and processes for compliance with all relevant laws and regulations. The overall responsibility for compliance and legal risk management rests with the Board, which has delegated its authority to the Audit and Risk committees. The Board's commitment to compliance is set out in its Charter, Code of Ethics, Corporate Citizenship Policy, Legal and Regulatory Compliance Policy and other Board approved policies. The compliance universe outlines legislation and legal requirements applicable to RES, legal risks and mitigation measures is reviewed and updated as and when developments occur.

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GOVERNANCE OUTCOME: Effective control *- continued*

Principle 14	Remuneration governance
The Board should ensure that the company remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term	The Board has delegated its remuneration governance responsibilities to the Remuneration Committee. RES's remuneration practices ensure a balance in attracting, motivating and retaining human capital through competitive remuneration practices, while creating shareholder value. Non-executive directors' remuneration is considered annually by a committee established by the company's Memo and Articles for that specific purpose

Principle 15	Assurance
The Board 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 company's external reports	The effectiveness of the company's assurance services has been delegated to the Audit Committee. The holistic combined assurance model incorporates all assurance activities and functions so that, taken as a whole, these enable an effective control environment, support the integrity of information used for decision-making by management, the Board and its committees. An Internal Audit Charter sets out roles and responsibilities of the Internal Audit, and an annual (risk-based) Internal Audit Plan is presented and approved by the Audit Committee, which monitors its implementation and close-out of all audit findings throughout the financial year. The Audit Committee annually considers and satisfies itself on the appropriateness of the expertise and experience of the finance director and the finance function. With the assistance of independent assurers, such as the external auditor, the Audit Committee reviews and evaluates the annual financial statements prior to recommending them to the Board for approval. The Board and its subcommittees participate in the review of the integrated annual report and supplementary reports. Sustainability reporting and disclosures will be independently assured in due course as RES's sustainability programme matures.

GOVERNANCE OUTCOME: Legitimacy

Principle 16	Stakeholder relationships
In the execution of its governance role and responsibilities, the Board 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	In recognition of the importance of long-term relationships with its stakeholders, RES considers their legitimate and reasonable interests and expectations in its strategic planning, day to day operations and how we conduct our business. Through stakeholder interactions we get to understand our most material matters, which are critical to the development of the company's strategy, risk/opportunity management and long-term direction. Stakeholder management is a standing Board agenda item for EXCO and Risk Committee meetings. The company's Stakeholder Management Policy and 5-year Stakeholder Engagement Strategy, ensure objective identification of stakeholders, engagement channels and frequency and that material matters have been identified, prioritised and appropriately addressed. Detailed information on our stakeholder engagements is contained on page 26.

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BOARD COMMITTEES

AUDIT COMMITTEE

Mandate

To assist the Board in exercising its oversight role with respect to:

- Preparation of accurate financial reports and statements in compliance with IFRS
- Internal and external audit
- Applicable regulatory requirements
- Internal financial controls
- Financial risk management
- Safeguarding RES assets

Members

A Westermeyer – *Chairman*
B Mkhaliphi
JN Gule

FY2026 Focus areas

- Considered and recommended Board approval of Interim and Annual Financial Statements for the reporting period, noting that the company recorded a loss of E73.6 million, which was a 118% decline against a profit of E414.3 million, achieved in the prior year
- Monitored effectiveness, objectivity, independence and quality of external auditor
- In line with RES's policy on external audit engagement, recommended for approval at the AGM, the appointment of PwC as the company's external auditors, pursuant to a rigorous tender process
- Approved PwC's 2025/26 external audit plan and satisfied itself as to the appropriateness of key audit risks identified
- Considered and approved the risk-based Annual Internal Audit Plan and monitored the effectiveness of the Group Internal Audit function with regards to execution of its plan, coverage and overall performance
- Interrogated actions taken by management with respect to adverse internal and/or external audit findings
- Ongoing monitoring of financial risks and compliance with company-approved financial risk management policies, i.e. Treasury and Hedging Policy
- Monitored the Corporation's compliance with legal requirements, with particular focus on compliance with tax legislation, company law as well as adherence to IFRS standards and reports on good corporate governance, particularly the King Reports.
- Received reports on new and/or proposed legislation which has an impact on the company as well as a litigation status report
- Satisfied ourselves as to the appropriateness of the accounting treatment of biological assets
- Considered the nature and extent of non-audit services provided by the external auditor
- Satisfied ourselves as to the adequacy of expertise, resources and experience of the Finance function
- Considered newly issued King V report

FY2027 Focus areas

- Continue to focus on ensuring the effectiveness of RES's financial systems, processes and internal financial controls
- Monitor management's implementation of relevant changes to IFRS standards
- Review of new IFR standards with an impact on RES and take steps towards preparedness and to ensure that all material risks are addressed
- Monitor the organisation's control environment
- Monitor legislative and regulatory developments with a risk impact on RES. Interrogate matters relating to legislative and regulatory risks across the Group and monitor the action plans in place to ensure compliance with the various regulatory environments
- Continue to review relevant submissions and reports issued by assurance providers – internal and external
- Review RES's Audit Committee terms of reference
- Assess external auditor independence
- Determine adequacy of the Finance resources
- Focus on Committee's responsibilities with respect to Integrated Reporting and ESG matters
- Compliance with regulatory requirements including ESE, technical IFRS, as well as ERS requirements
- Monitoring RES's working capital requirements/ liquidity and solvency
- Undertake review of RES' governance practices against King V
- Monitor the impact of developments in the audit industry to ensure continued audit independence and objectivity

BOARD COMMITTEES - *continued*

RISK, SOCIAL AND ETHICS COMMITTEE

Mandate

To assist the Board in:

- Setting the tone for an ethical organisational culture
- Overseeing risk management
- Ensuring that management has in place policies, processes and procedures to manage the significant risks to which the Corporation is exposed
- Exercising oversight on sustainability, safety and health in the workplace
- Environmental and quality issues

Members

ZR Magagula – *Chairman*
Chief ZN Ndlangamandla
N Jackson
MSM Shongwe
Dr Oluwatoyin Madein

FY2026 Focus areas

- Reviewed the top risks and considered management's action plans to mitigate risks contained in the enterprise-wide risk register
- Monitored RES's practices and manner in which the company protects, enhances the natural environment in which it operates to ensure sustainability of the business
- Interrogated fraud and corruption reports and adequacy of corrective action taken
- Received and considered management reports on risks affecting delivery of RES's strategy
- Monitored and reviewed the company's performance on occupational health and safety, quality management systems
- Oversaw the management of technology and information and monitored the company's digitalisation programme, which saw the successful implementation of key IT projects
- Oversight and review of the governance of risks facing RES, especially in view of geopolitical crises and the advent of artificial intelligence (AI)
- Leveraged technology and digitalisation as a strategic enabler
- Reviewed and approved the company's 5-year stakeholder strategy and considered the effectiveness of management's engagement with neighbouring communities in pursuit of a harmonious and mutually beneficial coexistence
- Oversight and focus on ensuring technology and digitalisation are appropriately applied to support the company's strategic objectives, improve efficiencies and costs
- Specific focus on management of cybersecurity risks

FY2027 Focus areas

- Continue monitoring risks to the achievement of RES's strategic objectives
- Specific attention will be given to health and safety to reduce the DIFR, crisis management, business continuity, security of company assets, management of organisational culture risks
- Embed our corporate reporting on sustainability matters
- Ongoing monitoring of fraud and corruption reports
- Ongoing monitoring of ethical conduct and whistle blowing reports
- Oversight on transition from SAP EEC to S/4HANA and embedment of the ERP across the company
- Ensure appropriateness of IT spend and benefits realisation
- Track developments in environmental and sustainability requirements and best practices and monitor compliance action plans
- Embed an ethical culture across the business
- Monitor management activities to strengthen stakeholder relations and create sustainable and impactful value for neighbouring communities
- Monitor and review the Group's commitment to being a responsible corporate citizen, particularly in the context of sustainability matters
- Ensuring ethical and safe AI adoption within RES
- Monitor operationalisation of the cybersecurity strategy and evaluate the effectiveness critical risks facing the business regarding technology, the automation of processes and digitisation

COMMITTEE ON NON-EXECUTIVE DIRECTORS' REMUNERATION

Mandate

To consider and review non-executive directors' remuneration

Members

AT Dlamini – *Chairman*
NM Jackson
LS Masango

FY2026 Focus areas

Reviewed Non-Executive Directors' remuneration

FY2027 Focus areas

Ensuring Non-Executive Directors' remuneration is fair and reasonable and suitable for RES's circumstances

BOARD COMMITTEES - *continued*

REMUNERATION COMMITTE

Mandate

To assist the Board in recommending remuneration strategies that ensure a proper balance in attracting, rewarding and motivating human capital to drive the Group's long-term strategy and sustainable performance while creating shareholder value

Members
AT Dlamini – *Chairman*
ZR Magagula
R Field

FY2026 Focus areas

- Approved cost-of-living adjustments for executives
- Succession planning
- Oversight on executives KPIs/performance
- Reviewed management's reports on short-term and long-term incentives in relation to the unfavourable financial performance
- Considered proposals on the long-term incentive scheme

FY2027 Focus areas

- Oversight of succession planning at executive and MD level
- Monitor overall company performance vis-à-vis payment of short/long-term incentive bonus
- Executives KPIs and ensure inclusion of sustainability performance targets
- Talent risk management

TECHNICAL AND SUPPORT SERVICES COMMITTE

Mandate

Oversight function on provision of technical and support services aimed at creating value for stakeholders through the development of added value opportunities, optimising agricultural and manufacturing production with focus on efficiency and cost effectiveness.

Members
HRH Princess Lomajuba - *Chairperson*
Dr AT Dlamini
JN Gule
NM Jackson

FY2026 Focus areas

- Considered reports on RES' agricultural performance and areas of improvement to ensure operational efficiencies
- Continued focus on RES mills performance in comparison with other Southern African sugar mills to identify opportunities for improvement
- Reviewed findings on Agronomy and irrigation operations and recommendations on opportunities for operational efficiencies
- Interrogated reports on power generation studies

FY2027 Focus areas

- Considered reports on RES' agricultural performance and areas of improvement to ensure operational efficiencies
- Continued focus on RES mills performance in comparison with other Southern African sugar mills to identify opportunities for improvement
- Reviewed findings on Agronomy and irrigation operations and recommendations on opportunities for operational efficiencies
- Interrogated reports on power generation studies

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Abridged Consolidated Financial Statements

For the year ended 31 March 2026

ABRIDGED DIRECTORS' REPORT
for the year ended 31 March 2026

The Directors have pleasure in presenting their report together with the financial statements for the year ended 31 March 2026.

General review of operations
The Group's principal activities are the growing and milling of sugar cane, the manufacture of sugar, and the manufacture of ethanol from molasses. The results of operations are fully disclosed in the attached financial statements.

The current year trading environment has been very challenging for both sugar and ethanol businesses, with sugar prices being 8% lower than those achieved in 2024/25. This is due to discounts applied in the SACU market to protect the market following influx of sugar from other continents and lower average price for raw sugar by 21.5% than 2024/25 average price. The tough trading environments also adversely affected the ethanol business through non-tariff barriers which slowed down sales volumes in SACU and regional markets. The trading conditions are expected to roll over to the new financial year and the sugar prices are projected to be even lower than the 2025/26 prices. This has resulted in lower value of standing cane at year end and a fair value loss on standing cane of E155.3 million being recognised in the financial results.
This was worsened by operations adversely affected by wet climatic conditions which disrupted cane logistics and cane crushing program resulting in some cane fields being carried over for harvesting in the new financial year.

Consequently, the total comprehensive loss attributable to the Owners of the Company amounted to E73.6 million which is a significant swing against the total comprehensive income of E414.3 million achieved in 2024/25.

Dividends
The following dividends have been declared (refer note 22.3):
- A first interim dividend for the year ended 31 March 2026 of 58.50 cents (2025 – 129.2 cents) per share which was paid in November 2025;
- There was no final dividend for the ended 31 March 2026 against a final dividend of 135.8 cents in 2025.

Board structure
The Board comprises of one executive and ten non-executive directors.

Directorate

The directors of the Company during the year were:

Directors

A T Dlamini	(Chairman)
N M Jackson	(Managing Director)
R Field	
HRH Princess Lomajuba	
J N Gule	
Z R Magagula	
B Mkhaliphi	
Chief Z N Ndlangamandla	
M S M Shongwe	
A Westermeyer	
O Madein	

Alternates

M Ndlela	(to J N Gule)
A Ngcobo	(to A T Dlamini)
F Ogundairo	(to O Madein)

Secretary and registered office

Secretary	**Registered Office**
L S Masango	Simunye Sugar Estate P O Box 1 Simunye

Auditor

PricewaterhouseCoopers (Eswatini)
P. O Box 569
Rhus Office Park, Kal Grant Street Mbabane
Eswatini

Bankers

Standard Bank Eswatini Limited
Nedbank Eswatini Limited
First National Bank of Eswatini Limited

Transfer secretaries

SNG Grant Thornton (Advisory) (Eswatini) (Proprietary) Limited
P O Box 331
Mbabane
H100

Management structure

Managing Director

N M Jackson*

Commercial

M I Maziya*	General Manager Commercial
S Kunene	Materials and Warehouse Manager
S Saxena	Head of Distillery
J Shiba	Procurement Manager
Z Zulu	Logistics and Marketing Manager

Agriculture

I B Oosthuizen*	General Manager – Agriculture
M Gama	Agricultural Manager – Production
B Sibandze	Agricultural Manager – Services
B Shongwe	Agricultural Manager – Water Resources
V Malubane	Outgrowers Development Manager
S Dlamini	Citrus Development Manager

Manufacturing

J Tfwala*	General Manager – Manufacturing
Vacant	Head of Factory – Engineering
Vacant	Head of Factory – Production

Engineering Services and Projects

O Marais	Engineering Services and Projects Manager
I Sutherland	Manager Engineering Support
B Tfwala	Energy Manager

Finance

D V Dhliwayo *	General Manager – Finance
M Zwane	Financial Manager – Business Planning & Reporting
T Sifundza	Financial Manager – Financial Management
Z Mavuso	Tax and Payroll Manager

Special Projects

P Myeni*	General Manager – Special Projects

Human Capital

B Masuku*	Group Human Capital Manager
B A Maziya	Head: Human Resources Operations
M Gamedze	Head: Learning and Talent
Dr R Shoshore	Head: Medical and Wellness Services
T Mkoko	Employee Relations Manager
M Masuku	Remuneration & Human Capital Systems Manager

Governance, Risk and Compliance

L S Masango	Head: Governance, Risk and Compliance

Information Technology

M Malinga	Group IT Manager

Office of Strategy Management

P M Mweli	Head of Strategy and Risk

Public Affairs

I Fakudze	Group Public Affairs Manager
M Simelane	Property Services Manager
M Dlamini	Livestock and Game

*Members of the Executive Committee (EXCO)

Material events after year-end

No matter, which is material to the financial affairs of the Company and Group, has occurred between the reporting date and the date of approval of the financial statements.

Dr A T Dlamini
(Chairman)

N M Jackson
(Director)

EXTERNAL ASSURANCE

To the shareholders of The Royal Eswatini Sugar Corporation Limited

The Group auditor, PricewaterhouseCoopers (Eswatini), have issued an unmodified audit report on the consolidated and separate financial statements for the year ended 31 March 2026 from which this information has been extracted.

A copy of their audit report on the consolidated and separate financial statements is available for inspection on the RES website.

ABRIDGED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
as at 31 march 2026

	Group 31 Mar 2026 E'000	Group 31 Mar 2025 Restated E'000	Group 01 Apr 2024 Restated E'000
Assets			
Property, plant and equipment	3 036 476	2 875 788	2 724 074
Goodwill	286 481	286 481	286 481
Intangible assets	40 577	48 146	39 696
Investments in subsidiaries	-	-	-
Equity accounted investments	273 651	256 007	238 536
Deferred tax assets	1 851	2 879	2 879
Total non-current assets	3 639 036	3 469 301	3 291 666
Inventories	297 266	258 760	219 134
Biological asset - growing cane	855 177	1 010 519	1 027 738
Biological asset - livestock	13 057	17 505	17 078
Trade and other receivables	310 930	567 237	410 492
Other financial assets	61 315	54 644	50 737
Derivative assets	-	-	2 426
Taxation prepaid	38 589	286	67
Cash and cash equivalents	177 262	430 252	277 342
Total current assets	1 753 596	2 339 203	2 005 014
Total assets	5 392 632	5 808 504	5 296 680
Equity			
Share capital	128 639	128 639	128 639
Share premium	632 379	632 379	632 379
Preference share redemption reserve	78 104	78 104	78 104
Retained earnings	2 301 310	2 431 257	2 272 229
Total equity	3 140 432	3 270 379	3 111 351

	Group 31 Mar 2026 E'000	Group 31 Mar 2025 Restated E'000	Group 01 Apr 2024 Restated E'000
Liabilities			
Deferred tax liabilities	685 212	719 100	654 615
Loans and borrowings	573 962	649 420	536 106
Employee benefits	100 247	111 916	104 946
Total non-current liabilities	1 359 421	1 480 436	1 295 667
Trade and other payables	506 043	567 897	438 642
Short term employee benefits	48 213	108 940	138 478
Bank overdraft	166 072	28 143	11 281
Current portion of loans and borrowings	156 539	201 622	148 635
Current tax liabilities	-	20 251	11 385
Dividends payable	15 912	130 836	141 241
Total current liabilities	892 779	1 057 689	889 662
Total liabilities	2 252 200	2 538 125	2 185 329
Total equity and liabilities	5 392 632	5 808 504	5 296 680

ABRIDGED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2026

	Group 2026 E'000	Group 2025 Restated E'000
Revenue	4 642 176	5 019 504
Cost of sales	(4 070 918)	(3 928 813)
Change in fair value of biological assets	(159 790)	(16 792)
Gross profit	411 468	1 073 899
Other income	142 228	133 396
Distribution expenses	(12 424)	(12 991)
Administration expenses	(649 304)	(672 668)
Impairment loss on trade receivables	1 142	(1 344)
Impairment of investment in subsidiary	-	-
Operating (loss)/profit	(106 890)	520 292
Finance income	42 583	56 261
Finance costs	(75 437)	(63 155)
Net finance cost	(32 854)	(6 894)
Share of profit of equity accounted investments (net of income tax)	42 104	39 832
(Loss)/profit before taxation	(97 640)	553 230
Income tax credit/(expense)	27 930	(130 115)
(Loss)/profit attributable to owners of the Company	(69 710)	423 115
Other comprehensive income (OCI)		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit liabilities	(5 165)	(11 692)
Related deferred tax	1 291	2 923
Other comprehensive income, net of tax	(3 874)	(8 769)
Total comprehensive (loss)/income for the year attributable to owners of the Company	(73 584)	414 346
Basic and diluted (loss)/earnings per share (cents)	(72.36)	439.2

ABRIDGED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2026

	Share Capital E'000	Share Premium E'000	Preference Share Redemption Reserve E'000	Retained Earnings E'000	Total E'000
2026 Group					
Balance at 1 April 2025 - Restated	128 639	632 379	78 104	2 431 257	3 270 379
Loss for the year	-	-	-	(69 710)	(69 710)
Other comprehensive loss	-	-	-	(3 874)	(3 874)
Total comprehensive income for the year	-	-	-	(73 584)	(73 584)
Transactions with owners recorded directly in equity					
- Dividends	-	-	-	(56 363)	(56 363)
Balance at 31 March 2026	128 639	632 379	78 104	2 301 310	3 140 432
2025 Group - Restated					
Balance at 31 Mar 2024	128 639	632 379	78 104	2 261 104	3 100 226
Consolidation of hospitality business	-	-	-	11 125	11 125
Restated balance at 1 April 2024	128 639	632 379	78 104	2 272 229	3 111 351
Profit for the year	-	-	-	423 115	423 115
Other comprehensive income	-	-	-	(8 769)	(8 769)
Total comprehensive income for the year	-	-	-	414 346	414 346
Transactions with owners recorded directly in equity					
- Dividends	-	-	-	(255 318)	(255 318)
Balance at 31 March 2025 - Restated	128 639	632 379	78 104	2 431 257	3 270 379

ABRIDGED CONSOLIDATED STATEMENTS OF CASH FLOWS

for the year ended 31 March 2026

	Group 2026 E'000	Group 2025 Restated[1] E'000
Cash flows from operating activities		
Cash generated from operations	454 387	732 351
Interest paid	(75 437)	(60 729)
Taxation paid	(62 193)	(54 060)
Net cash generated by operating activities	316 757	617 562
Cash flows from investing activities		
Finance income	42 583	56 261
Dividends received	24 460	22 361
Proceeds from sale of property, plant and equipment	277	1 476
Acquisition of property, plant and equipment	(477 929)	(421 777)
Acquisition of intangible assets	(2 499)	(29 907)
Net cash utilised in investing activities	(413 108)	(371 586)
Cash flows from financing activities		
Proceeds from loans and borrowings	75 000	306 204
Repayment of borrowings	(192 778)	(147 077)
Repayment of lease liability	(2 763)	(2 398)
Dividends paid	(171 287)	(265 723)
Net cash utilised in financing activities	(291 828)	(108 994)
Net (decrease)/increase in cash and cash equivalents	(388 179)	136 982
Cash and cash equivalents at beginning of year	402 109	266 061
Effect of exchange rate fluctuations on cash held	(2 740)	(934)
Cash and cash equivalents at year end	11 190	402 109

ABBREVIATIONS AND ACRONYMS

ABCD	Asset-based community development
AGM	Annual General Meeting
AEO	Authorized Economic Operator
AI	Artificial Intelligence
ASTM	American Society Testing Material
AWS	Alliance for Water Stewardship
BOH	Build Operate and Handover
CDC	Commonwealth Development Corpora-tion
CRO	Chief Risk Officer
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
CAPEX	Capital Expenditure
CAIDI	Customer Average Interruption Duration Index
DIFR	Disabling Injury Frequency Rate
EAC	East African Community Construction
EAP	Employee Assistance Program
EEC	Eswatini Electricity Company
ERP	Enterprise Resource Planning
EU	European Union
EXCO	Executive Committee
ERMF	Enterprise Risk Management Framework
ESA	Eswatini Sugar Association
EPC	Engineering Procurement
ESERA	Eswatini Energy Regulatory Authority
ER	Employee Relations
ESKOM	Electricity Supply Commission
ESG	Environmental Social and Governance
EDX	Education Extension
EIPA	Eswatini Investment and Trade Promotion Authority
ENPF	Eswatini Provident Fund
ERS	Eswatini Revenue Service
FSSC	Food Safety System Certification
FY	Financial Year
GDP	Gross Domestic Product

GIAS	Global Internal Audit Standards
GM	General Manager
GRI	Global Reporting Initiatives
GHG	Greenhouse Gas
Ha	Hectares
HC	Human Capital
IFRS	International Financial Reporting Standards
IP	Intellectual Property
IR	Integrated Report
IYSIS	Inyoni Swaziland Irrigation Scheme
ISO	International Organization for Standardisation
IDP	Individual Development Plan
IMS	Integrated Management Systems
JD	Job Description
KPIs	Key Performance Indicator
PAT	Profit After Tax
LAT	Lose After Profit
LAA	Litres of Absolute Alcohol
L & G	Livestock and Game
LSU	Large Stock Unit
L & T	Learning and Talent
MD	Managing Director
ML	Million Litres
MT	Millions/Tonnes
MTTQ	Metric Tonnes
MSP	Mananga Sugar Packers
NCDs	Non-Communicable Diseases
NET	The Amount Left After deductions
NOSA	National Occupational Safety Association
NOMADS	Nominated Advisor
NGOs	Non-Governmental Organization
OR	Overall Recoveries
OPEX	Operational Expenditure
PAT	Profit After Tax

PPAs	Power Purchase Agreements
PM	Prime Minister
Solar PV	Photovoltaic Solar
PwC	Price Water Coppers
RES	Royal Eswatini Sugar Corporation
Remco	Remuneration Committee
RSSC	Royal Swaziland Sugar Corporation
RPL	Recognition of Prior Learning
SACU	Southern African Customs Union
SHEQ	Safety Health, Environmental and Quality
SAP	System Application and Products in data
SARB	South African Reserve Bank
SLAs	Service Level Agreement
SAPP	Southern African Power Pool
SA	South Africa
SADC	Southern African Development Community
SAIDI	System Average Interruption Duration Index
SAMASA	Swaziland Agricultural Manufacturing and Allied Staff Association
SAPWU	Swaziland Agricultural and Plantation Workers Union
SCT	Sustainable Control Tower
SF Module	Success Factor Module
SAP	Southern African Power
T	Tonnes
TSB	
TSH	Tonnes Sucrose per Hectare
TC	Tonnes Cane
TS	Tonnes Sucrose
TCH	Tonnes Cane Hectare
ToRs	Terms of Reference
UN SDG	United Nations Sustainable Development Goals
VFL	Visible Felt Leadership
VHP	Very High Pol Sugar
VAT	Value Added Tax

Protecting the natural ecosystems
that sustain our operations
remains central to our commitment
to responsible growth.
By balancing agricultural productivity
with environmental stewardship,
we contribute to the preservation
of biodiversity for future generations.

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