

Our business model explained

What we need to execute

Intellectual capital
With strong brands and almost 40 years of retailing experience

Human capital
Well trained, committed people

Societal capital
Loyal customers and strong community support

Financial capital
A strong and healthy balance sheet

Manufactured capital
State-of-the-art infrastructure, stores and distribution centres

Natural capital
Environmentally sound practices that minimise our environmental footprint

A singular focus on our customer

Our operating model

Low prices

Centralised distribution

Advanced supply chain

Sophisticated sourcing

'Lean' operations

World-class shopping experience

State-of-the-art stores and channels

Advanced technology, data and analytics

A keen assessment of customers' needs



For more detail about our capitals, refer to pages 40 to 46.

For more detail about the value we add refer to page 4 and page 5.



Our outputs – benefits to the customers

- Consistent value for money
– RSA internal food inflation of 0.1% vs official food inflation of 4.5%
- A diversified product range
– sold 7.6 billion items in 2018
- Acting for change in our communities – 2.7% of Net Profit After Tax to community projects
- An obsession with affordability and assisting cash-strapped consumers – we have subsidised 110 039 061 loaves of bread since 2016 and provided 64 815 002 R5 deli meals since last year



For more detail about our financial performance refer to the financial report on pages 36 to 38.



The result of what we do

- Satisfied customers who support our brands
- A significant and growing customer base of > 35 million shoppers
- SA's largest private sector employer – employee benefits of R12 billion
- Significant new job creation – 75 000 new jobs since 2008
- Alleviating hunger in our communities
- Consistent shareholder returns
- A healthier environment for our children



For more detail about our business drivers, refer pages 26 and 27.