

# BUSINESS MODEL

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



Prior to 2013, the Group operated on a decentralised basis with each division responsible for its full value chain with access to a limited suite of centralised services. Over the past 18 months, the Group implemented a new business model with the following rationale:

- Capitalise on the One Pioneer parenting advantage
- Streamline the business and embed an efficient cost structure
- Standardise systems and processes
- Implement best practice
- Develop category and customer focus
- Create a common corporate identity

The new business model comprises the following enabling features:

- The Groceries merger of Bokomo Foods and Ceres Beverages
- The creation of a focused international business
- Centralisation of procurement
- Centralisation of finance and administration in a Shared Service Centre ("SSC")
- Centralisation of logistics under newly launched Pioneer Foods Logistics Services ("PFLS")
- Outsourcing of the operational management of information technology (hardware) and application software (SAP)