



OUR SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE

The Sea Harvest Group acknowledges that without our employees, the support of the local communities in which we operate, the relationships we enjoy with our shareholders and other key stakeholders, and the natural environment that provides us with the resources that we need to produce our products, we would have no business. Our employees, other key stakeholders and the natural environment, therefore, form the mainstays of our Group.

The Social, Ethics and Sustainability Committee (the Committee) is tasked to monitor Sea Harvest's performance as a responsible corporate citizen and to perform its statutory functions in terms of the Companies Act, No 71 of 2008, as amended, the King IV Report on Corporate Governance™ (King IV™), and the JSE's Listings Requirements, the Committee's Terms of Reference Charter (the charter), internal policies and any other applicable legislation.

Our mandate

The Committee is mandated to ensure that the Group maintains its commitment to fair labour practices, social upliftment, employment equity and well-being, transformation and environmentally sustainable and ethical business practices. This is achieved by ensuring that any value created by the business serves to uplift and sustain both our internal and external stakeholders and the environment through bold ethical leadership and sound corporate governance practices. As a Board subcommittee, the Committee fulfils an independent role, while remaining accountable to the Board. In this report, we describe how we discharged our duties from 1 January 2019 until the financial year ended on 31 December 2019.

Membership and composition of the Committee

 Committee Chairperson  FJ ROBERTSON	 BM RAPIYA	 Committee invitee  F RATHEB	 Committee invitee  M KHUMALO
 MI KHAN	 T MOODLEY	 Committee invitee  T BROWN	 Committee invitee  ML HARRY
 CK ZAMA	 M BREY	<h3>The year under review</h3> <p>In 2019, following the acquisitive and diversification direction we pursued as a Group, our primary concern was the assimilation and alignment of our social, ethics and sustainability policies. It was vital to get the leadership to focus on one direction in pursuit of our vision – being a vertically integrated, transnational, majority black-owned and empowered, responsible JSE-listed fishing and food company.</p>	



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Our 2019 targets

- Increase our involvement in the communities in which we operate
- Align the different Group subsidiaries in terms of social, ethics and sustainability practices and policies
- Educate our employees and the community about conserving the environment in which we operate and work closely with all stakeholders to achieve this goal

Our transformation mandate

Sea Harvest's commitment to the economic and social upliftment transformation of South Africa is material to our future endeavours. As one of the largest black-owned companies in the fishing sector, it is imperative that we drive local economic development in the communities in which we operate. As we change direction in pursuit of our true purpose, one of our primary drivers is to continually improve on our transformation principles and, more importantly, to play an active role in empowering marginalised and disadvantaged groups and individuals.

One of the key motivations for the recent acquisitions and incorporations was to diversify, not only in terms of business prospects but also in terms of the transformation of our human capital. The next step is to assess the existing employment equity policies to determine a baseline and to build and expand on the Group's transformation ambitions.

Through our Management Development Programme (MDP), which completed its first iteration in 2019, we identified high-performing, previously marginalised and disadvantaged individuals who would benefit from a development programme aimed at preparing them for management positions within the Group. The further expansion of our MDP will continue in 2020. In addition, we launched a mentorship programme for those employees who completed the MDP to continue building their skill set to ensure sustainable development for the individuals, so they are best equipped to navigate through their future career paths.

For further information about the implementation and results of our transformation policies, refer to the report on our human capital on [page 19](#) of our IR.

Our corporate social investment

The Group's corporate social investment (CSI) initiatives are guided by the needs of the communities in which we operate. Extensive engagement with communities took place in 2019 to assess and respond to the needs identified through the Sea Harvest Foundation (NPC).

Sea Harvest has always been involved in the Saldanha Bay community, mainly because it has been our first home and our largest site for over 55 years, with 30% of all households directly impacted by the Group. In 2019, we established and increased our foothold in the many other communities in which we now operate, in order to expand the focus of the Foundation to

address the needs that exist within those communities. At our aquaculture farms in Buffeljags and in Kleinzee, there was a strong appeal from the local communities in those areas for Sea Harvest to play a significant role in providing the support previously enjoyed from other corporates no longer able to continue the CSI programmes that were in place. As a result, Sea Harvest's involvement with the Kleinzee Centre for Learning and Development, which provides education, accommodation and care for children of all ages, has become one of the Foundation's flagship projects. Funding was allocated to the mainstream school, school for the disabled, the ECD centre, and girls' and boys' hostels. The funding was used to secure, *inter alia*, the services of a Resource teacher and refurbish certain elements of the home, like the ablution and shower facilities and the ECD centre's playground.

The community of Buffeljags is located on our farm's doorstep, however, the closest school is in Gansbaai, which means our employees' children have to commute several kilometres every day, which impacts on our employees' financial wellness. In order to align our support with their needs, we provided a transport solution.

In Cape Town, specifically in Philippi near one of our factory sites, we were able to provide much-needed equipment and cooking utensils for nearby ECD centres, including sleep mats and educational toys.

The CSI programmes in Saldanha included a sponsored holiday club during every school holiday; the provision of tertiary study assistance for our employees' children; support for local schools in the form of sporting and gym equipment; the provision of equipment, educational toys, stationery and infrastructure repairs; upgrades for 17 ECD centres; and organising and hosting the first annual Saldanha Bay Community Fun Day.

Employee wellness, safety and security

Sea Harvest's Safety Management System, and our existing health and safety procedures and security systems, provide an invaluable platform for the future protection of the Group's employees and assets. However, post acquisitions and incorporations, we now operate on many sites with different safety and security standards. In 2019, our main task was to consolidate the safety and security practices of the Group. We also had to evaluate the different levels of maturity of the standards before a new consolidated strategy could be devised. We established a baseline for safety and security, reporting and employee communication, and going forward, we plan to implement the aligned standards and strategies. In terms of managing our human capital, we focused on aligning all existing HR policies under the Sea Harvest Group's HR policies. Where there were misalignments, for example, regarding retirement age, we were able to work together to find mutually beneficial resolutions.



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Group culture

Following the recent changes to the Group, we performed a high-level assessment of the corporate cultures of the Group's subsidiaries in 2019, but there is still a need to engage in a more extensive exercise to introduce and embed a cohesive Group culture. Developing and improving our Group culture based on Sea Harvest's mission, vision and values remains an exciting prospect and a key priority for the Committee. Cultivating our Group culture is one of our primary goals for 2020.

Our supplier and enterprise development

As a responsible corporate citizen in a competitive industry that relies on a fragile natural capital, we are committed to adhering to local and international environmental management laws and requirements. Our business is centred on 70% wild-caught seafood, which means adhering to TAC laws, maintaining our MSC certification and ensuring that our natural resources keep growing, while limiting our impact on the environment.

At Sea Harvest we know that our business is only as strong as our employees and the communities in which we operate as well as our stakeholders. As such, we also accept that we have an important educational role to play if our communities and our stakeholders are to develop and prosper alongside the Group.

With our South African Fisheries Development Fund in association with our majority shareholder, Brimstone, we support SMMEs, co-operatives and small-scale fishers by providing marketing assistance, vessels and assets, management expertise, training and mentoring, and processing of fish to promote enterprise development. The primary objective of the Fund is to transform the fishing industry from the ground up by assisting smaller quota holders and small-scale fishers in catching their quotas, processing their catch, and accessing markets. During 2019 we also provided small-scale fishing communities with skills training, such as conflict management, to assist in creating a cohesive community partnership between all individuals involved, and assisted them in securing accidental death and disability cover. As we move forward we are excited by the endless opportunity available to the Fund to make a difference to those who need it most in the fishing sector.

Sustainability and environmental management

Our primary focus in 2019 was to direct our efforts toward curbing waste pollution. As an organisation,

we are actively involved in beach clean-up activities, and in 2019 in particular we worked closely with the EcoBrick Exchange programme (www.ecobrickexchange.org). The manufacture of EcoBricks has had a ripple effect on the Cape West Coast, extending to various communities and stakeholders. An EcoBrick is constructed from a 2 litre plastic bottle filled with single-use plastics collected from the beaches and surrounding areas and forms a structural component for furniture, raised garden beds and concrete benches.

The concept and skill sets related to the EcoBrick Exchange project were introduced in educational awareness programmes during local beach clean-ups that we actively promoted and participated in. The awareness programmes involved local schools, communities, NGOs, South African National Parks, local municipalities, and local ecotourism industries. Collectively, from the outreach programmes, more than 40 artisans have been trained in developing skills for the construction of wooden and concrete furniture and structures. Over 750 single-use plastic packets fill a single EcoBrick, which is diverted from landfill.

In 2019, we also focused on curbing the pollution of the waterways and canals leading into the ocean. One such initiative was in partnering with the social entrepreneur and founder of the Khayelitsha Canoe Club, Siyanda Sopangise, who was provided with a new canoe. The club is based at the Khayelitsha wetlands where Siyanda empowers local youth by providing canoe lessons while educating them about the importance of a pollution-free environment. The youngsters regularly clean the wetlands in exchange for canoe lessons.

Sea Harvest staff members, community members and our partners at EcoBrick Exchange conducted a clean-up at the wetlands while promoting an environmental educational programme at the canoe club. With the new sponsorship of a canoe from Sea Harvest, the club can now provide additional youth with canoe lessons. Illegal dumping, sewerage overflows, blockages, grey water and windblown solid waste are some of the factors that impede stormwater management at the canal outlets that lead into the ocean. In collaboration with the local municipality at Saldanha and the non-profit organisation, the Dyer Island Conservation Trust, we installed litter traps to prevent solid waste, like single-use plastics, from entering the ocean and endangering marine life. We adopted the technology from Australia and the first litter trap was installed in Hoedjiesbaai during Marine Conservation Week. It is projected that with the successful implementation of additional litter traps, more than 12 tonnes of plastic can be diverted from entering the ocean over a two-year period. We also supported the Friends of the Liesbeek with one of their clean-up operations.



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For more information about our natural capital and Sea Harvest's commitment to sustainability, refer to page 18 of our IR.

Our 2019 highlights

In 2019, the Committee's focus was on becoming more involved in the communities where recently acquired businesses are located and this was achieved. We were able to work with community leaders from different backgrounds and NGOs, which gave us the opportunity to foster new relationships.

Another highlight on the Committee's calendar is World Food Day. On this day, in co-operation with the Department of Agriculture, Land Reform and Rural Development, we contributed to the food packages that are delivered to rural and impoverished communities across the country. We value the opportunity to contribute staple food items to these food packages. In the past four years, we've been able to increase the number of non-perishable food items donated, expanding our footprint across South Africa, especially in the communities we are not directly involved in.

The Group's change in direction towards diversification sparked another highlight for the Committee. In the past, our social, ethics and sustainability activities were primarily solo efforts. In 2019, we increased our involvement and changed our focus toward partnerships. Schools and government departments located in the areas in which we operate were directly involved in our ECD initiatives, as well as the support given to the Department of Social Development. On environmental matters we were supported by South African National Parks, local municipalities, and the surrounding communities' environmental management teams. Stakeholder involvement and support increase our impact, and in return we can rely on them indirectly affecting our mandate.

Another more tangible target, which we had set for ourselves and which we achieved, was to change the plastic strips we use to mark quayside bins and fish to food-grade, biodegradable material.

Our challenges

Although our task to align the social, ethics and sustainability processes and guidelines throughout the Group is essential, we must guard against undermining the good work that has been done in the past and not amend existing policies without just cause. Our partnerships and support of local communities can be difficult due to socio-economic circumstances that sometimes impede our efforts to fulfil our mandate in all of the communities in which we operate.

Our performance in relation to our targets

We are happy to report that we increased our community involvement and we now have a foothold in every community in which we operate. However, there is always more to be done. Going forward, we plan on cultivating even more long-term relationships with the relevant stakeholders, with particular emphasis on environmental management strategies.

In terms of policy alignment across the Group, we have a lot of work to do and we believe our phased approach will be successful. We are committed to implementing and maintaining strategies and achievable goals which contribute to achieving a

better life for all. The Committee acknowledges that ongoing effort is required to educate our staff, and the surrounding communities in which we operate, about our collective environmental management responsibilities. We plan on increasing our internal communication as well as addressing these responsibilities in our communities.

Our future outlook

In the short term, our main goal is to achieve stability within the Group after the recent acquisitions and incorporations. As the Group charts its way forward into the future seeking growth and fulfilling its ambitions of becoming a leading, transnational, diversified black-owned and managed fishing and food business, the Committee will continue the Group's steadfast commitments to fair labour practices, social upliftment, employment equity and well-being, transformation and environmentally sustainable and ethical business practices.

Fred Robertson

Chairperson of the Social, Ethics and Sustainability Committee

24 April 2020