



OUR SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE REPORT



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, together with the natural environment that provides us with the resources that we need to produce our products, we would have no business. The COVID-19 pandemic has also brought into stark focus the requirement for our continued commitment to assisting our local communities and how our employees, other key stakeholders and the natural environment form the mainstays of our Group.

The Social, Ethics and Sustainability Committee (the Committee) is tasked with monitoring 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, 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 providing employment which is entrenched in fair labour practices and equity; social upliftment where it operates which is underpinned by transforming society; 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 and 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 2020 until the financial year ended on 31 December 2020.

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



M HARRY



CK ZAMA



M BREY

THE YEAR UNDER REVIEW

In 2020, following the successful acquisitive and diversification direction we pursued as a Group, our primary concern was ensuring that the Group used its collective muscle through its increased footprint to make more of a difference to its employees and other stakeholders. Our singular pursuit of being a vertically integrated, transnational, majority black-owned and empowered, responsible JSE-listed fishing and food company remained our focal point for the year.

OUR 2020 TARGETS

- Placed further emphasis on the growth, transformation and development of our employees through focused skills development, mentorship and succession programmes.
- Increased our involvement in and impact on the communities in which we operate.
- Ensured that our operations worked harder and more efficiently in conserving the environmental resources which we utilise.

OUR TRANSFORMATION MANDATE

Sea Harvest's continued commitment to the economic and social transformation of South Africa remains its true bedrock in all that it does. This commitment as one of the largest black-owned companies in the fishing and food sectors has endured over the past decades; however, over the past few years, the desire to drive local economic development in the communities in which we operate remains unwavering. Our development from a Level 4 to a Level 1 B-BBEE rated, c.80% black-owned business is a journey we are proud of, and one which we will continue long into the future. As the world lurches from one crisis to another, we remain authentic in our pursuit of fair and just principles that play an active role in empowering marginalised and disadvantaged groups and communities.

One of the key motivations for the recent acquisitions and subsequent incorporations was to diversify, not only in terms of business prospects but also in terms of the transformation of our human capital. The completion of the Group's five-year employment equity plan (2019–2024) will yield a guiding light in ensuring that we examine ourselves constantly in safeguarding that our staff are equipped with the skills that will yield succession and growth within the Group. This will be ably facilitated through our mentorship programme, where we identified high-performing, previously marginalised and disadvantaged individuals who would benefit from such a programme aimed at preparing them for management positions within the organisation.

As previously mentioned during 2020, the Group continued on its exemplary path of retaining a Level 1 B-BBEE score according to the DTI's verification process. The continued achievement is a recognition of the hard work and dedication undertaken by the Group in ensuring that it plays its part in building a just and equitable South Africa.

For further information about the implementation and results of our transformation policies, refer to the report on our human capital and transformation on pages 42 to 43 of this report.

EMPLOYEE WELLNESS, SAFETY AND SECURITY

During 2020, Sea Harvest's safety management system undertook a dramatic escalation as the coronavirus gripped the world. Central to the Group's navigation of the pandemic was ensuring that all of its employees were kept safe and healthy at the workplace through the implementation of a comprehensive COVID-19 safety protocol. The freshly devised COVID-19 safety protocol enmeshed well with our existing health and safety procedures to provide an invaluable platform for the protection of the Group's employees. Through the implementation of all of the Group's COVID-19 protocols, Sea Harvest always sought collaboration with local authorities from the departments of health and labour to ensure that all national directives were adhered to and improved, where inadequate, within the Group. The proactive approach undertaken towards COVID-19, spearheaded by management, resulted in the safety of the Group's employees and the impact of the pandemic on them contained wherever possible. Some of the measures put in place at all of the Group's sites were:

- increasing the health services to include additional professional nurses, administrators and, where possible, doctors as well;
- implementing daily medical screenings of all staff and, where required, PCR and antigen testing for its employees;
- increasing the frequency of sanitisation points and deep cleaning;
- reconfiguring the workplace to ensure social distancing and providing PPE to staff to ensure safety; and
- providing subsidised transport for staff to and from work.

These measures have also included regular COVID-19 meetings, which provided a valuable platform for the business to discuss the response to the pandemic and share key learnings and findings. In order to support the COVID-19 SteerCo during this time, management also convened a dedicated project team which, among other things, provides an analytical approach in the management of COVID-19 cases and isolations; and also assists staff who are ill with the delivery of hygiene and food parcels and TERS/illness benefit applications. The pandemic further assisted us in ensuring that our established baseline for safety and security, reporting and employee communication was implemented and the entire Group was aligned in terms of standards and strategies.

For more information about our human capital refer to page 42, and our stakeholder section for employees and labour unions, refer to pages 28 to 29 of this report.



OUR SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE REPORT CONTINUED

OUR SUPPLIER AND ENTERPRISE DEVELOPMENT

As Sea Harvest has grown over the past decade, our internal vision has been to ensure that we facilitate the transformation of the fishing industry through the support of 100% black SMMEs in the sector; and through our procurement policies purchase goods and services from predominantly previously disadvantaged suppliers. As a Group, we have long recognised that our business is only as strong as our communities in which we operate as well as our stakeholders. We also accept that we have an important educational and supporting role to play if our communities and our suppliers are to develop and prosper alongside the Group.

Refer to our social and relationship capital on pages 46 to 47.

As such, during 2020 we continued to develop and improve our relationships and support for black SMMEs currently in the fishing industry to ensure that they were also able to traverse the treacherous waters during the COVID-19 pandemic. The primary objective of the Group is to transform the fishing industry from the ground up by assisting smaller quota holders in catching their quotas, processing their catch, and accessing markets. This support was also extended to our suppliers who are predominantly black and operate in rural and semi-rural regions of the country where the opportunity to retail one's goods or services remains challenging. Through our procurement practices we have been able to develop a mutually beneficial relationship with these suppliers and our intention is to continue to grow with them as the Group progresses over the next few years, so that they continue to create employment and a livelihood through their interactions with Sea Harvest.

Through our South African Fisheries Development Fund, in association with our majority shareholder, Brimstone, we were able to continue supporting co-operatives and small-scale fishers during 2020. Even though the pandemic limited the Fisheries Fund's ability to interact with the small-scale communities during 2020, the Fisheries Fund was still able to provide some much-needed food parcels and PPE to those communities through a donation to DEFF and provide management expertise, mentoring, and processing of fish to promote enterprise development. 2020 also marked the second iteration of the Fisheries Fund's Accidental Death And Disability Policy, thus giving peace of mind to small-scale fisherman and their families so that should the unfortunate happen, both parties are taken care of. During 2020, for the first time, the Fisheries Fund also launched a bursary scheme through DEFF in the Northern Cape for deserving high-school students in the small-scale communities in the region. The Fisheries Fund looks forward to continuing the bursary scheme into 2021 and resuming its in-person skills training, such as conflict

management, to assist in creating a cohesive community partnership between all individuals involved when it is safe to do so. As we move forward, we are excited by the endless opportunities available to the Fisheries Fund to make a difference to those who need it most in the fishing sector.

OUR SOCIO-ECONOMIC DEVELOPMENT (SED)

The Group's CSI initiatives are guided by the needs of the communities in which we operate. Through extensive engagement with communities conducted during previous years the 2020 Sea Harvest Foundation strategy focus areas were education; health; ECD; and community and youth development. As with the rest of the world, the Sea Harvest Foundation had to pivot radically due to the COVID-19 pandemic and lend a helping hand to our communities as they battled the pandemic and its impacts.

For more information about our social and relationship capital, refer to pages 46 to 47 of this report, or our communities in our stakeholder section on pages 34 to 35 of this report.

The pandemic brought into focus the economic plight that engulfs our communities resulting in hunger and inadequate food security. Considering that the Sea Harvest Group is at the forefront of ensuring food security in South Africa, it was only befitting that the central tenet of the Sea Harvest Foundation in 2020 was to support the most vulnerable in the communities where we operate by donating over 10 000 food parcels to soup kitchens, families and schools. Through the length and breadth of the Western Cape, Northern Cape and Eastern Cape, the Sea Harvest Foundation was proud to assist many families during their time of need. Furthermore, we donated 10 000 masks in support of Brimstone's 1 Million Masks drive to protect communities.

Even though 2020 resulted in the Sea Harvest Foundation having to address community needs brought on by COVID-19, we still remained true to our core commitments to ECD, education and youth development but with a COVID-19 focus. This focus resulted in an effort to assist ECD centres safely reopen after lockdown with the assistance and donation of COVID-19 care kits containing various paraphernalia such as masks, thermometers, hand sanitisers, rubber gloves and disinfectants just to mention a few items. The Foundation's impact also continued and was extended through its annual support of the Red Cross Children's hospital, bursary scheme and various schools in the communities which we serve. During these trying times, the Sea Harvest Foundation will continue to strive to make a difference to the most vulnerable in our community, while espousing the UN SDGs and the National Development Plan where it is envisioned that, "now in 2030 we live in a country which we have remade. We have created a home where everybody feels free yet bounded to other; where everyone embraces their full potential. We are proud to be a community that cares."

Our hope is that through the Sea Harvest Foundation we can provide support in our way to make this dream a reality for our nation.

SUSTAINABILITY AND ENVIRONMENTAL MANAGEMENT

The continued success of Sea Harvest's fishing operations is dependent on the health of our marine resources. The ocean's bountiful harvest allows us to produce the premium seafood products that our consumers and customers demand. Therefore, the environment and everything that nature has to offer is not just a motto or an exercise in responsible corporate citizenry, but rather a way of life in a sector that relies on a fragile natural capital; and as a business, we are committed to adhering to local and international environmental management laws and requirements. Our business is centered on 65% wild-caught seafood, which means adhering to laws, and ensuring that our natural resources keep growing, while limiting our impact on the environment remains the heartbeat of the organisation.

Central to realising our goals of advancing environmental stewardship during 2020 was the maintenance of the Group's MSC certification for its Cape hake and Shark Bay prawn fisheries for a further five years until 2026. Ocean sustainability and advocacy has continuously evolved over the past two decades, however, the MSC standard remains the most robust, scientifically-based assessment for fisheries sustainability on the planet. Through this certification, the Group along with its partners has been able to ensure that target stocks remain healthy, and bycatch and general ocean environmental impacts are constantly reduced, while adhering to all legal requirements and limitations set by authorities. Even though the MSC certification remains the gold standard, the Group recognises that it isn't a panacea to addressing all of the concerns and challenges the oceans face in this day and age. As has been undertaken over the past few years, the Group challenges itself to understand and manage its environmental impacts, and to devise methodologies and practices which not only improve company efficiencies but secure the environment as well.

Even though our sustainability journey was hampered by the pandemic, in particular our ability to work and support stakeholders and programmes which advocate for environmental sustainability and education, 2020 gave us the opportunity to focus on our internal data management on resource use and environmental impacts and put in place internal mechanisms to ensure that all of our newly acquired companies record and manage their environmental impacts in the same manner. The projects started and supported in 2019, in particular the litter traps installed to prevent solid waste (like single-use plastics) from entering the ocean and endangering marine life remain active and we look forward to partnering with new stakeholders once the pandemic is over.

During 2020, in an effort to standardise all of the Group's sustainability and environmental management procedures, we implemented a new environmental control system at Ladismith Cheese. Through this implementation, we were able to undertake a new baseline risk assessment for the subsidiary and update all existing environmental preparedness procedures and all other environmental risk protocols to align with the rest of the Group. Through these interventions, Ladismith is now able to further protect the environment through best practice protocols and foresight.

For more information about our natural capital and Sea Harvest's commitment to sustainability, refer to pages 40 to 41 of this report, or our operating context on pages 24 to 27 of this report.

OUR CHALLENGES

The COVID-19 pandemic has given us an opportunity to assist those who need it most during this time. And even though we are still in the throes of the pandemic, our tasks to align the social, ethics and sustainability processes further throughout the Group are essential. 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, but we feel confident that we will surmount these challenges especially after demonstrating our resilience during the pandemic in 2020.

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 more long-term relationships with relevant stakeholders.

OUR FUTURE OUTLOOK

As a Group we remain committed to implementing and maintaining strategies and achievable goals which contribute to achieving a better life for all. The Committee acknowledges that post the challenges of the pandemic, 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.



Fred Robertson

Chairperson of the Social, Ethics and Sustainability Committee

23 April 2021