OUR SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE REPORT

Sea Harvest Group's Social, Ethics and Sustainability Committee (the Committee) is tasked with monitoring the business's performance as a responsible corporate citizen and to perform its statutory functions in terms of the Companies Act, King IV™ and the JSE Listings Requirements, the Committee's Terms of Reference, internal policies, and any other applicable legislation. The Board subcommittee fulfils an independent role, while remaining accountable to the Board.

OUR MANDATE

The Committee is mandated to ensure that the Group maintains its commitment to:

- overseeing the interplay between the environment and ecosystems of the planet, particularly the impact of the Group on the natural world, and reducing it where possible;
- considering how the business interacts with its social stakeholders, both within and outside the Group; and
- guaranteeing transparent and ethical conduct by the Company and its leaders with regard to regulations and oversight, so as to ensure that the business continues to act in the best interest of stakeholders.

This is achieved by ensuring bold and ethical leadership. In this report, we describe how we discharged our duties during the 2023 financial year.

MEMBERSHIP AND COMPOSITION OF THE COMMITTEE



4/4 **FJ Robertson**
DPhil (Honorary, UWC)



4/4 **BM Rapiya**
BAdmin



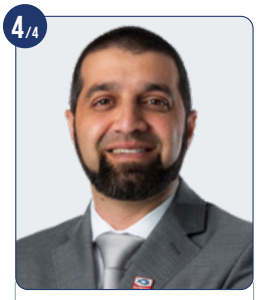
4/4 **CK Zama**
CA(SA)



3/4 **MI Khan**
CA(SA)



4/4 **T Moodley**
LLB



4/4 **M Brey**
CA(SA)

COMMITTEE INVITEE



4/4 **F Ratheb**
BSc (Hons) (Eng), MBA



4/4 **M Khumalo**
MSc (Oceanography)



3/4 **T Brown**
National Diploma: (Mechanical Engineering)



4/4 **M Harry**
National Diploma: (Human Resources Management), MPhil, BCom (Hons)

Chairperson: ● *Meetings attended:* X/X

THE YEAR UNDER REVIEW

In 2023, the Committee's efforts were focused on ensuring that its commitment to the three key aspects (environment, social and governance) of its mandate was upheld amid challenging operating conditions. There remains an ambition by the Group to adapt to a constantly evolving world by fostering and solidifying ESG practices within the business that not only safeguard the environment but also contribute to building a better and just society through integrity and positive contributions.

OUR 2023 TARGETS

1. Engage in meaningful ESG matters as defined by the UN SDGs
2. Achieve a Level 1 B-BBEE rating
3. In terms of safety, reduce the Group's DIFR and LTIFR
4. Continue investing in the communities in which we operate
5. Reduce Scope 1 carbon emissions intensity in the Group's South African Fishing segment by 2% from 2022

SUSTAINABILITY AND ENVIRONMENTAL MANAGEMENT

The Group places utmost importance on ensuring the business's operations are always both profitable and sustainable. This is particularly critical as our products rely on natural resources. To attain this goal, the Group acknowledges the necessity of implementing initiatives prioritising marine and freshwater conservation, effective waste management, and the transition to the utilisation of clean energy sources.

In the fishing sector, adherence to scientific principles governing sustainable fish harvesting is paramount to maintaining long-term viability. This entails allowing marine resources to replenish and ensuring that our operations are conducted sustainably. Through these proactive measures, Sea Harvest reaffirms its dedication to responsible and sustainable business practices, safeguarding natural resources for future generations. The Group remains steadfast in its commitment to sustainability leadership – consistently setting and upholding sustainability standards to ensure the enduring success of our business.

During 2023, the Group remained steadfast in its commitment to guaranteeing that all subsidiary operational sites, cold storage facilities, distribution hubs, offices, and other relevant entities adhere to regulatory mandates. Concurrently, an assessment of compliance with the responsible business practices outlined by the Committee was conducted. Furthermore, efforts persisted in enhancing internal environmental control systems and streamlining data management processes across the organisation.

Sustainable fishing: Our Group's most significant environmental footprint occurs at sea. Hence, it is imperative that all our endeavours in this domain adhere to a stringent biological management framework, thereby maintaining our MSC certification. Notably, Cape Hake, the Shark Bay Prawn Managed Fishery, and the Exmouth Gulf Prawn Managed Fishery have all achieved MSC certification. This certification process is conducted by an independent third party that evaluates adherence to the three core principles of the MSC, recognised as the pinnacle of sustainability in wild-capture fishing practices (for more information on the status of the Group's target species, refer to the ESG Report).

Water management: During 2023, the Group improved its water management procedures. By enhancing water meter coverage at all our sites, we have yielded heightened precision in measurements and troubleshooting. This increased data collection has enabled the Group to achieve a more refined understanding of water consumption patterns at its operating sites and subsidiaries, thereby facilitating daily data analysis. To further optimise freshwater usage on site, we have allocated resources to establish a team of dedicated full-time employees who implement our water management protocol in Saldanha Bay, the Group's largest consumption site.

These resources aid in facilitating a rapid response to increased freshwater usage and ensuring an integrated management process to find solutions with all business units. Additionally, to compliment this process, we are leveraging sea water for cleaning and other non-potable needs, alongside the installation of aerators and low-flow devices across factory water sources. Our commitment to efficiency is underscored by the procurement of new ice production machines, ensuring streamlined operations for our vessels at sea.

Waste management: We actively seek opportunities to donate, repurpose or sell waste, aligning with our commitment to environmental stewardship. During 2023, the Group implemented recycling initiatives at our facilities in Cape Town and Mossel Bay, marking the initial stages of our recycling journey in those locations, and as we progress, we remain dedicated to reducing waste sent to landfills. In pursuit of our sustainability goals, we initiated a schools recycling project in Saldanha Bay, engaging stakeholders in our sustainability efforts. This project involved supporting select schools in establishing recycling facilities and educating scholars on the importance of waste management and recycling. Through collaboration with the Saldanha Bay Municipality, these schools have been able to generate additional income from their recycling efforts (for more information on the schools recycling project, refer to the ESG Report).

Energy: In continuation of our commitment to the energy conservation initiatives of 2022, 2023 marked a significant leap forward in this endeavour.

Over recent years, we have been actively exploring renewable energy sources, with our initial venture involving the installation of wind turbines at our largest aquaculture facility. While grid electricity remains essential at this site, our transition to renewable energy at Buffeljags has notably reduced our reliance on conventional sources.

Building on this progress, in 2023, we expanded our renewable energy portfolio with the commencement of a solar PV solution at our primary dairy facility in Ladismith. This installation not only enhances energy security but also substantially diminishes our dependence on the South African electricity grid at the site. Although our aspiration is to integrate sustainable solutions across all our sites, several factors, including the suitability of the renewable technology, capital expenditure requirements, and environmental assessments, must be carefully considered. As part of our ongoing journey, we remain committed to exploring and implementing alternative energy opportunities throughout our organisation.

OUR SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE REPORT

SUSTAINABILITY AND ENVIRONMENTAL MANAGEMENT CONTINUED

Climate change: We are pleased to announce the latest advancements in Sea Harvest's dedication to sustainability and our continuous endeavours to address climate change. Since 2022, we have been actively offsetting emissions generated by the Sea Harvest Food Truck annually. Carbon offsetting entails the reduction or removal of carbon dioxide and other greenhouse gas emissions from the atmosphere to counterbalance emissions produced elsewhere. At Sea Harvest, even as we enter the carbon offsetting arena, our primary focus remains on measuring and mitigating emissions within our own operations, as this represents the most impactful approach to emission reduction (for more information on the greenhouse gas emissions of the Group, refer to the ESG Report).

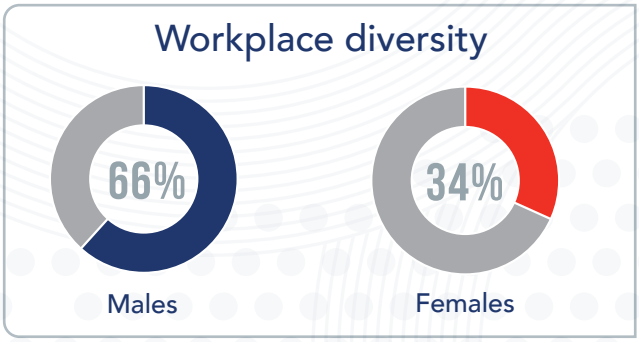


Employees inside the cheese factory at Mooivallei

WORKPLACE DIVERSITY

In pursuit of rectifying historical workplace inequalities, Sea Harvest places significant emphasis on employment equity and adhering to relevant government mandates as integral components of its transformation agenda. Across all South African Group subsidiaries, the implementation of new one- to three-year employment equity plans is underway. These plans are designed to provide strategic direction for our diversity initiatives in the short term. Furthermore, Sea Harvest maintains active engagement with employment regulators regarding proposed mandated diversity targets for the fishing industry and other sectors of the economy. This ongoing dialogue facilitates the development of feasible and impactful strategies tailored to our sector, fostering positive change through collaborative consultation processes with governmental bodies.

To bolster the group's workplace diversity initiatives, it is imperative to fortify them with a robust succession plan centred on talent acquisition and retention programmes within the organisation. With this objective in mind, in 2023, the Group established a Talent Forum comprising key executives and representatives from the human resources department. This forum aims to formalise the Group's strategy and execution pertaining to succession planning, providing prominent visibility, and ensuring accountability for cultivating a sustainable talent pipeline for the future of the business.



For further information about the implementation and results of our transformation policies, refer to the report on our Human Capital and transformation on **pages 43 to 44** of this report.

EMPLOYEE WELLNESS, SAFETY AND SECURITY

Employee wellness: Throughout 2023, the Group sustained its provision of primary healthcare services at several key operational sites, alongside implementing diverse employee wellness programmes aimed at supporting staff in managing their financial, physical and mental well-being. In response to high instances of substance abuse, formal engagements continued with the Department of Social Development to facilitate early intervention sessions addressing substance abuse and other domestic issues like gender-based violence. Additionally, the Group actively encouraged healthy lifestyle choices through initiatives such as fitness sessions and effective management of chronic medications within its healthcare services. The commitment to staff education extended to raising awareness about breast cancer detection and early intervention, alongside HIV testing initiatives, to equip staff with knowledge on virus prevention strategies.

In Australia, we continue to recognise the psychological pressures and stressors prevalent in modern life, which can lead to employee absenteeism. As a response, Sea Harvest Australia implemented an Employee Assistance Programme, offering up to six free professional counselling sessions. This support extends not only to employees but also to shared fishermen, immediate family members including partners and dependent children, and, under certain conditions, individuals residing in the worker's household.

Safety: The Group saw a minor increase in the number of injuries reported during the year (2023: 550; 2022: 546). However, positively, the Group's DIFR decreased from 0.05 in 2022 to 0.03 for the year. Furthermore, our LTIFR also improved from 4.31 in 2022 to 3.97 in 2023.

Security: Minor security incidents were reported at various operating sites, most of which related to petty theft or attempted theft. Investigations were conducted to determine ways of improving security, while the necessary disciplinary action was taken, or charges laid, against the perpetrators.

As per the table below, during 2023, only one out of four of the Group's major South African sites saw a slight decline in their risk scores following an audit of the health, safety and environmental operating procedures at the respective sites by Marsh, a leading global insurance broker and risk advisor.

MARSH RISK GRADING SCORES	2022/23	2021/22
Sea Harvest Saldanha	**97%**	97%
Sea Harvest Viking Fishing Division	**95%**	94%
Ladismith	**97%**	98%
Viking Aquaculture	**98%**	97%

OUR SUPPLIER AND ENTERPRISE DEVELOPMENT

The Fisheries Fund, a collaborative venture between Sea Harvest and Brimstone, stands as a pioneering initiative dedicated to empowering co-operatives and small-scale fishers through mentorship, skills training, and robust business support mechanisms. Notably, the Fisheries Fund's commitment to maintaining an accidental death and disability policy for small-scale fishers and their families underscores Sea Harvest's holistic approach to community support.

In 2023, FEDRATI, fostering collaboration between the Fisheries Fund and CPUT. Operating under the joint auspices of the Fisheries Fund and CPUT, FEDRATI facilitated the allocation of 16 scholarships at CPUT to post-graduate students embarking on scientific research across various disciplines aimed at advancing ocean economy in South Africa. These scholarships represent a strategic investment in cultivating expertise that holds the potential to catalyse tangible advancements in the maritime field, particularly benefiting the historically marginalised. The ultimate aspiration is for these research initiatives to evolve into practical solutions that empower communities and drive sustainable economic growth.

Simultaneously, the Fisheries Fund, in collaboration with the FoodBev SETA, sustained programmes aimed at enhancing the capabilities of small-scale fishers in the Western Cape and Eastern Cape regions. These initiatives encompassed a spectrum of training modules, including pre-sea familiarisation, business acumen development, hazard analysis and critical control point (HACCP) standards training, safety protocols, and first aid proficiency.

Moreover, mentorship and coaching programmes were integral components, ensuring holistic support for participants as they navigate their professional journeys and utilise their access to the ocean's resources.

Refer to our Social and Relationship Capital on **pages 51 to 52**, our stakeholder section for industry partners on **page 38** of this report and our ESG Report.



2023 Doctor of Philosophy (PhD) candidate and FEDRATI beneficiary, Ziyanda Phike, addressing guests at the launch of the Institute

OUR SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE REPORT CONTINUED

OUR SOCIO-ECONOMIC DEVELOPMENT (SED)

The Sea Harvest Foundation serves as a pivotal platform through which Sea Harvest extends its positive influence within the communities it serves. Throughout 2023, the Foundation prioritised initiatives aimed at fostering inclusive economic participation and bolstering education, sports and youth development. Notably, our bursary programme sustained 38 tertiary students in their academic pursuits.

Further reinforcing our commitment, the Foundation continued its steadfast support for the satellite office of the Department of Social Development in Saldanha Bay. This collaboration enabled the provision of vital assistance to address pressing societal challenges, such as substance abuse, child neglect, and other social issues prevalent in South African communities.

In line with our dedication to alleviating hunger and enhancing food security, the Foundation's fish donation programme experienced significant growth and impact throughout 2023. Partnering with reputable organisations like the Harbour of Wellness, Huis van Heerde, Lily Haven, Eleanor Murray Residence, and the Paternoster Project, we reached a total of 2 143 beneficiaries across more than 20 organisations, effectively addressing immediate nutritional needs within our operational areas.

Furthermore, in 2023, our second Golf Day provided stakeholders with an update on the Foundation's initiatives and their tangible outcomes. The event not only served as a platform for networking but also raised crucial funds to supplement our ongoing endeavours.

Underpinning this community support is the unwavering commitment of the Foundation's Board. By prioritising collaboration and integration both internally and externally, we are poised to harness the collective strengths and resources of all stakeholders for greater impact. For detailed insights into the projects supported by the Sea Harvest Foundation, we invite you to explore our ESG Report.

Refer to our Social and Relationship Capital on **pages 51 to 52** and our stakeholder section for industry partners on **page 38** of this report.

OUR CHALLENGES

Amid the rapid acquisitive expansion witnessed within the Group over the past five years, our organisation encounters ongoing challenges in standardising sustainability and social initiatives across all subsidiaries and sites. While notable progress has been achieved, there is still work to be done in consolidating the overall ESG portfolio within the business (for more information on our ESG journey, refer to the ESG Report).

OUR PERFORMANCE IN RELATION TO OUR TARGETS IN 2023

We are happy to report that we:

- engaged in meaningful ESG matters, including improved disclosure for all our stakeholders, with our third standalone ESG Report;
- achieved a Level 1 B-BBEE rating;
- spent R43 million on skills development and R13 million on enterprise and supplier development;
- achieved a DIFR 0.03 and an LTIFR of 3.97;
- continued investing in the communities in which we operate through student bursary programmes, food donations, community projects and support for youth education initiatives at high schools and tertiary institutions; and
- reduced Scope 1 carbon emission intensity in the Group's South African Fishing segment by 2.6% from 2022.

OUR FUTURE OUTLOOK

- Complete the ESG Materiality Assessment for the Group
- Devise and implement a fit-for-purpose ESG strategy
- Analyse vessels that utilise freon and the expenditure required to convert to non-freon gases
- Our long-term targets include eliminating unnecessary and problematic packaging and increasing the reuse, collection and recycling of all waste

FRED ROBERTSON

Chairperson of the Social, Ethics and Sustainability Committee