



**AFRICAN EQUITY
EMPOWERMENT
INVESTMENTS
LIMITED**

2020 SUSTAINABILITY REPORT



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INTRODUCTION

ABOUT THIS REPORT

This report aims to clearly and concisely inform our providers of financial capital, stakeholders and future shareholders of African Empowerment Investments Ltd's ("AEEI", "the Group") investment portfolio across the various divisions within AEEI namely: fishing and brands, technology, events and tourism, health and beauty, biotherapeutics, associate and strategic investments. This will allow them to make an informed assessment of our ability to create sustainable value in the short-, medium- and long-term.

The content of the social investment report have been informed by the following:

- Basic regulatory and compliance guidelines
- King IV™ Report on Corporate Governance for South Africa 2016 (King IV™)
- The International Integrated Reporting <IR> Framework
- The Companies Act, 2008 (Act 71 of 2008), as amended (Companies Act)
- The JSE Listings Requirements
- International best practices
- Independent Third-Party Assurance Statement from Integrated Assurance & Reporting Services (IRAS)

Our social investment report covers all the divisions in the Group and forms part of the AEEI's integrated reporting suite for 2020. The report reflects the achievements and journey of AEEI and our subsidiaries in realising our Vision 2020 Vision as disclosed in our integrated report for the year ended 31 August 2020.

REPORTING BOUNDARY AND SCOPE

As an investment holding company, this report covers sustainability for the AEEI Group for the financial year ended 31 August 2020 as well as the following:

- Our sustainability governance framework
- Material matters and key performance indicators
- Economic sustainability
- Environmental sustainability
- Human capital
- Transformation
- Social sustainability
- Corporate social investment (CSI)

This sustainability report is supplemented by our full suite of online publications, which caters for the diverse needs of our stakeholder base. A summary of this report is included in the integrated report. The full suite consists of the:

- Online integrated report
- Corporate governance report
- Sustainability report
- Investment portfolio report
- Full consolidated annual financial statements
- AEEI King IV™ Governance Register 2020 (King IV™)
- Notice to the annual general meeting

These can be accessed on our website: www.aeei.co.za

APPROACH TO MATERIALITY DETERMINATION

AEEI's approach to materiality determination is informed by The International Integrated Reporting Framework taking into account our various stakeholder groups and ensuring value creation over the short-, medium and long-term.

As a starting point, materiality determination is structured around our risk register process, which remains a function of our audit and risk Committee. Risks are identified, prioritised and mapped according to probability and potential impact, and mitigation strategies are refined to ensure our ability to competently pre-empt each risk for the benefit of our many stakeholders.

In addition, AEEI enables our stakeholder engagement processes to inform the audit and risk committee of any additional risks that are deemed material to the ongoing sustainability of the Group. Whenever necessary, outcomes of engagement activities will escalate new threats or concerns to the audit and risk committee for their consideration, noting that some material issues may not end up on the risk register but are necessary to address.

In the formation of the suite of documents that constitute our integrated report, material issues are interrogated to determine what the Group has achieved during the reporting period, as well as what remains an ongoing process to continue to address each issue. Through our reporting, we encourage our stakeholders to comment on our material issues, both with respect to confirming or refuting the assertions we make about managing these issues, and with potentially raising new issues that the Group may not have sufficiently discussed within our reporting.

STATEMENT OF RESPONSIBILITY

The Board of directors of AEEI ("the Board") is ultimately responsible for sustainability and has tasked the social, ethics and transformation committee to monitor and management sustainability.




The AEEI Group is committed to promoting a strong culture of social responsibility, encompassing ethical values, community responsibility, environmental protection, cautious use of natural resources, economic advancement and employment.

ASSURANCE

Independent third-party assurance over 34 key sustainability indicators was provided by Integrated Reporting & Assurance Services (IRAS). Their assurance statement is available for download on our website.

NAVIGATIONAL TOOLS

The following icons have been applied throughout the report to direct the reader to additional information or cross-referenced sections.

-  Online reference for further information.
-  Page reference for information elsewhere in the report.
-  King IV™

To highlight evidence of our application of the King IV principles, we have indicated references to the relevant principles per section. For the definitions of the principles and detail of our application and practices, download the full governance report/King IV™ register that is available online at www.aeei.co.za/king-iv-on-corporate-governance/.

AEEI AT A GLANCE

BUSINESS PROFILE

AEEI is a diversified investment holding company and is a majority black-owned and black-controlled investment holding company based in South Africa that has investments in fishing and brands, technology, events and tourism, health and beauty, and biotherapeutics, all supporting B-BBEE and small-, medium- and micro-enterprises (SMMEs) as well as strategic investments, some with international partners.

GUIDING PRINCIPLES

The following principles apply to all our business units:

- Operate ethically and in compliance with applicable laws.
- Value employees, embrace diversity and promote a fair and respectful workplace.
- Provide a safe and healthy workplace and strive to reduce the environmental footprint of products and operations.
- Be an asset to local communities by supporting programmes as well as ongoing economic development.
- Promote engagement with and the development of diverse suppliers and enterprise development clients.
- Strengthen management systems that govern responsible operations.
- Work with enterprise development clients and suppliers to improve performance.

ORGANISATIONAL STRUCTURE



FISHING AND
BRANDS



TECHNOLOGY



EVENTS AND
TOURISM



HEALTH AND
BEAUTY








BIOTHERAPEUTICS



STRATEGIC
INVESTMENTS

SUMMARISED GROUP STRUCTURE AT A GLANCE

 FISHING AND BRANDS	<p>Premier Fishing and Brands Ltd (Premier) listed on the JSE in March 2017. Premier Fishing SA (Pty) Ltd, a division of Premier Fishing and Brands, is the largest 100% black-owned fishing company in South Africa. The Premier Group holds medium- to long-term fishing rights in west coast rock lobster, south coast rock lobster, small pelagics (anchovy), hake deep-sea trawl, hake longline and squid. They own an abalone farm and also invest in organic agriculture and processes wild abalone. They offer sales, marketing and production of west coast rock lobster, south coast rock lobster, longline hake, squid, fishmeal, abalone and Seagro (organic fertiliser). AEEI has a 55% shareholding in Premier.</p>
 TECHNOLOGY	<p>AYO Technology Solutions Ltd (AYO), including its subsidiaries, is one of the largest B-BBEE information and communications technology (ICT) groups in the South African market. They operate across a variety of industry verticals and geographies to deliver the full spectrum of ICT-related products and services – from physical infrastructure to networking, data storage and security, connectivity and communications. AEEI has a 49.36% shareholding in AYO.</p>
 EVENTS AND TOURISM	<p>This division consists of events management, travel solutions as well as advertising sponsorship income through its radio station.</p> <p>espAfrika (Pty) Ltd (espAfrika) is a cutting-edge global competitive company in events management and travel solutions. Over the past decade, it has staged international music festivals throughout Africa. AEEI hold 100% of the shares in espAfrika.</p> <p>Tripes Travel (Pty) Ltd (Tripes) has been in existence since 1970 and has two distinct operating divisions: Travel Management Services and Inbound Tours and Events. AEEI has a 56% of the shareholding in Tripes.</p> <p>Magic 828 (Pty) Ltd (Magic) is a medium wave (AM/MW) independent commercial music radio station, broadcasting throughout the Western Cape and streaming worldwide. AEEI has a 39% shareholding in Magic 828.</p>
 HEALTH AND BEAUTY	<p>This division manufactures, sells and markets an extensive range of natural products for the food, agriculture, hygiene and general health sectors, and imports and distributes four cosmetic brands from Europe.</p> <p>AfriNat (Pty) Ltd (AfriNat) supplies a range of natural biostimulants and agriculture pre-harvest products as well as a range of hygiene and sanitation products under the brand VibacSan® to the post-harvest industry and hygiene and sanitation sectors. These products are human, animal and plant safe. AEEI holds 100% of the shares in AfriNat.</p> <p>Orleans Cosmetics (Pty) Ltd (Orleans Cosmetics) is the exclusive South African distributor of the following imported cosmetic brands, each one with a long international history:</p> <ul style="list-style-type: none"> - Gatineau - Nuxe - RVB Skinlab/Diago Dalla Palma Professional - Sothys <p>AEEI holds 90% of the shares in Orleans Cosmetics.</p>
 BIOTHERAPEUTICS	<p>Genius Biotherapeutics focuses on research and development, particularly on healthcare applications, and more specifically on the production of biopharmaceutical products (those that are derived from living genetically modified cells and are of a protein or carbohydrate nature).</p>
 STRATEGIC INVESTMENTS	<p>The Group holds equity stakes in BT Communications Services South Africa (Pty) Ltd (BT), Saab Grintek Defence (Saab) (Pty) Ltd, and Sygnia Ltd.</p>

VISION 2020 VISION OVERVIEW

In 2015, the Board of directors led by the CEO set its Vision 2020 Vision with clear deliverables and delegated the action plans to the Group's executive management team for implementation. 📄

The following high-level KPIs were set in terms of Vision 2020 Vision:

- Double revenue
- Increase operating profit substantially
- Increase NAV significantly
- Substantially increase or double total assets
- Regularly pay dividends to shareholders
- Create medium- to long-term shareholder value
- Develop positive director and stakeholder involvement in the strategy
- Build the AEEI brand
- Create employment and opportunities for employee growth

STRATEGY

AEEI's strategic focus areas are to double revenue, increase operating profits, increase operational cash flow, increase NAV and double total assets, pay regular dividends to shareholders, create employment opportunities, build the AEEI brand and to create a Group that leads in both profits and sustainable business practices.

One of AEEI's key material matters is to create sustainable value for all of its stakeholders and to integrate sustainable development into its strategy, governance, management and reporting, with the strategic objective of reducing our negative impact on the environment. AEEI's financial strategy is to grow through acquisitions and to leverage the existing portfolio by maximising the net asset base and improving cash generation, thereby growing income sustainably and managing its costs. The Company's strategic approach to risk is to regularly assess whether the process is effective in identifying and evaluating risks.

SUSTAINABILITY GOVERNANCE FRAMEWORK

INTRODUCTION

AEEI AT A GLANCE

SUSTAINABILITY GOVERNANCE
FRAMEWORK

HUMAN CAPITAL

SOCIAL AND
RELATIONSHIP CAPITAL

NATURAL CAPITAL

The Board of AEEI oversees and drives a strategic approach to sustainability that responds to the interests of all key stakeholders while protecting and creating value. AEEI is aware of and appreciates the evolution of governance and that the Group's core purpose, business model, performance, risks, opportunities and sustainable development are inseparable elements of the value-creation process. The Board is aware that its responsibility and accountability, in addition to producing solid financial results, include managing the Company's environmental and social impact, as well as addressing the expectations of stakeholders, including regulators, investors, clients and employees.

AEEI's business is built on a strong foundation, including its business model, core values and principles. Our products and services are the tangible outputs of our business activities and our social and ethical responsibilities guide our day-to-day activities. All forms of sustainability are extremely important in our strategy and operational activities. AEEI's goal has always been to provide innovative management solutions to every subsidiary and client while remaining committed to social responsibility. Details of our business model and definitions of our values and principles are set out in our integrated report which can be found online at <http://aeei.co.za/integrated-report/>.

The ultimate responsibility of sustainability rests with the Board and the Board has tasked the social, ethics and transformation committee to manage and monitor sustainability.

BOARD OF DIRECTORS

The Board of directors is primarily responsible for overseeing sustainability issues through the committees listed below:

CHIEF EXECUTIVE OFFICER

The CEO is accountable to the Board for the implementation of the Group's strategy and the overall management of the Group.

AUDIT AND RISK COMMITTEE	REMUNERATION COMMITTEE	SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE
<ul style="list-style-type: none"> Responsible for overseeing and reviewing the integrated reporting process. Reviews the annual financial statements, interim reports and preliminary results announcement. Ensures integration in terms of integrated reporting and the application of our business model. Ensures that the combined assurance model is applied. Oversees the internal audit function. Responsible for risk management, considers the top risks and monitors the progress of mitigating risks. Findings and recommendations are reported on at Board level. Responsible for the governance of technology and information. Recommends the services of the external auditor. 	<ul style="list-style-type: none"> Reviews and approves the remuneration and benefits policy and the reward philosophy and strategy adopted by the Company Ensures that the Group remunerates responsibly, fairly and transparently. Determines the remuneration packages of the executive directors and senior managers. Recommends to the Board the fees to be paid to non-executive directors for their services. 	<ul style="list-style-type: none"> Ensures that the Group is and remains a committed to being a responsible corporate citizen. Reports on organisational ethics, sustainable development and stakeholder relationships. Ensures compliance with statutory duties and encourages leading practice by having the social, ethics and transformation committee progress beyond mere compliance to contribute to value creation. Monitors the Group's social impact, oversees compliance and ensures sound ethical and governance practices. Responsible for the oversight of transformation management, ensuring that management has implemented and maintained an effective transformation management process in the Group. Assists the Board to lead transformation within the Group and to ensure that there are appropriate policies and procedures in place. Ensures compliance with the amended Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice as revised from time to time.

DAILY RESPONSIBILITY IS DELEGATED TO DIVISIONAL MANAGEMENT

MATERIAL AREAS OF SUSTAINABILITY

Ensuring sound governance



- Through our sustainability governance practices
- Engaging our stakeholders
- Fostering ethical behaviour and good governance

Developing people



- Workplace transformation and diversity
- Promoting within the organisation
- Skills development
- Attracting and retaining talent

Employee health and safety



- Promoted and enabled a healthy and safe working environment for our employees in response to the COVID-19 pandemic
- Addressing employee health and safety concerns timeously

Responsible products and services to our customers



- Financing and infrastructure
- By treating our clients fairly
- In promoting responsible investment

Investing in a prosperous society



- Through transformation and empowerment
- With responsible procurement and enterprise
- Through corporate social investment

Promoting environmental responsibility



- Through the impact of climate change and green energy
- Through sustainable water usage
- Materials and waste management

OUR APPROACH TO SUSTAINABILITY

Building and maintaining trust in South Africa's businesses and government is fundamental to achieving a sustainable economy. As a business we have to make decisions which have direct impacts on our stakeholders, such as employees, financial institutions, labour organisations, civil society and citizens, and the level of trust they have in us. These decisions are not only based on financial information alone, they are based on an assessment of risks and opportunities using information on a wide variety of immediate and future issues.

The value of the sustainability reporting process is that it ensures our Company considers its impacts on sustainability issues, and it enables us to be transparent about the risks and opportunities we face. Stakeholders play a crucial role in identifying these risks and opportunities for our Company, particularly those that are non-financial.

The Group has policies in place to ensure that the subsidiaries act in an environmentally-friendly manner that considers the existence of the communities in which the subsidiaries' operations are located through sustainable use of ocean resources for economic growth, improved livelihoods, and jobs while preserving the health of the ocean ecosystem. The Group also has policies in place regarding the health and safety of its employees. However, businesses in the Group are committed to being industry leaders and adding value to the services they provide by implementing sustainable business practices that minimise the impact that their operations have on the environment. Environmental commitments are an integral part of their day-to-day activities.

In addition to the careful stewardship of natural resources, the Group continually works towards sustainable development by contributing to the eradication of poverty and income inequalities, with the goals being employment, accessing quality and affordable basic services, and fostering a stable and just society.

The Board remains firmly committed to the development of the intellectual and human capitals as defined in the integrated report. The performance assessment of executive and senior management includes an assessment of how they have developed the human capital of the Group, especially the development of historically disadvantaged individuals. The Board has affirmed its practice regarding procurement by its subsidiaries from black economic empowerment companies, enterprise and supplier development, as well as socio-economic development (SED).

The Group's carbon emissions have an impact on the environment, and are affected by the environment in which we operate and how climate change affects our business. We commit our businesses to a journey of responsible environmental stewardship. We acknowledge that a stable economy and a sustainable business require a sustainable environment. Our fishing and brands division works closely with the relevant authorities to safeguard various fish species and pays careful attention to the environmental impact of its operations.

The Group's material matters and how we manage them can be found on pages 11, 15, 21 and 22. (B) – Principles 3, 4, 10, 11, 13, 14, 15 and 16)





HUMAN CAPITAL

INTRODUCTION

Our employees remain central to everything we do as they are a vital part of our ambition to deliver a great stakeholder experience and sustainable, profitable revenue growth, and play a pivotal role in the Group's drive to achieve its strategic objectives.

Over the last few months, we have had to deal with unprecedented changes with the COVID-19 pandemic, a new leadership team, revised strategy and business model. At the same time, our employees had to contend with the increasingly volatile and uncertain economic and socio-political conditions in which we operate. We also needed to ensure that our employees had the correct tools to think differently, to learn the "new normal way of working" as well as to deliver on our strategic objectives while remaining dedicated and focused.

Throughout the COVID-19 pandemic we assisted our employees by allowing them to work from home, which enabled more flexibility as they had to take care of their homes, look after their children, oversee homeschooling, look after their elderly parents, while at the same time trying to ensure that they completed their work tasks. We ensured that there were no job losses or retrenchments, unlike a lot of other companies. We applied for the Unemployment Insurance Fund Temporary Employee Relief Scheme on behalf of our employees. Our employees remained cooperative and resilient through this difficult period. They continued to work even harder and continued to deliver, even though salary cuts were instituted in order to save everyone's jobs.

As the business landscape changes with ever-increasing speed, AEEI continues to ensure that it nurtures, understands and values its employees with the same care and coherence that it fosters for its other stakeholders. We engaged with all levels of employees through a variety of regular and ongoing initiatives for both collective and individual interfaces. We allow our employees to further develop their skills and abilities through various skills programmes, and to benefit from being part of a progressive and dynamic organisation.

The Group continues to create a working environment that supports our vision and ambition by creating an inclusive and enjoyable workplace so that our employees can thrive as part of our dynamic business. Employee engagement is extremely important to ensure that we meet our strategic objectives.

CREATING VALUE THROUGH OUR EMPLOYEES

INPUTS	<ul style="list-style-type: none">• Workforce composition• Skills, qualifications and competencies• Salary and benefits• Regulatory compliance	
ACTIVITIES	<ul style="list-style-type: none">• Recruitment and retention• Performance management• Learning and competency development• Organisational development	<ul style="list-style-type: none">• Reward and recognition• Workforce and succession planning• Employee engagement• Employee wellness
OUTPUTS	<ul style="list-style-type: none">• Leadership capabilities• Workforce capabilities• Workforce performance	<ul style="list-style-type: none">• Diversity and inclusivity• Engagement and well-being
OUTCOMES	<ul style="list-style-type: none">• Innovation and resilience• Organisational culture and values• Productivity• Organisational performance	


OUR APPROACH TO MANAGING HUMAN CAPITAL

Our approach to managing our human capital is by investing in our employees through:

- Attracting, developing and retaining employees with the right management and technical skills to drive our strategy.
- Developing our current and future leaders.
- Enhancing transformation and diversity across the Group.
- Embedding the best people management practices across the Group and continue to position the Group as an employer of choice.
- Aligning our structure to support and deliver on our strategy.
- Ensuring fair and responsible remuneration practices by implementing key performance indicators within individual business units.
- Enhancing communication and collaboration across the Group through training, diversity and career pathing.

HIGHLIGHTS ON THE PROGRESS ON OUR HUMAN CAPITAL IN 2020

The section below details the progress made in creating value, the relevant key performance indicators, our 2020 progress, the risks related to the material matter and the associated opportunities. We tracked our progress according to our capitals that is defined by the International Integrated Reporting Council's Integrated Reporting <IR> Framework as the resources and relationships that are used and affected by an organisation.

 HUMAN CAPITAL	MATERIAL MATTER Employee recruitment and retention of critical skills Workplace transformation Skills development Attracting and retaining talent
KEY PERFORMANCE INDICATORS <ul style="list-style-type: none"> Retention of critical skills Training and development of employees Develop critical skills to drive business performance Remuneration and employee recognition Drive a high-performance culture to ensure delivery of our strategic objectives Employee job satisfaction, diversity, productivity and efficiency Employee health and safety Drive diversity and cultural transformation Drive Vision 2020 Vision goals Support training institutions (external) 	2020 PROGRESS <ul style="list-style-type: none"> Emphasised our employee value proposition Offered competitive remuneration Invested R12 574 583 on training and development Continued to promote a working environment that allows employees to deliver high performance Delivered on our Vision 2020 Vision Continued with the development of critical skills to drive business performance and the personal development of junior, middle, senior executives as well as building leadership capability to enable productivity, high performance and sustainable growth Continued with our transformation and employment equity plans Further identified employee development Transformation and equity employment plans rolled out Promoted and enabled a healthy and safe environment for our employees in response to the COVID-19 pandemic
	WHAT ARE THE RISKS RELATED TO OUR MATERIAL MATTERS? <ul style="list-style-type: none"> The impact of the COVID-19 pandemic in terms of further job creation Higher than market-related salary demands Developing critical skills The inability to retain skills and high-calibre employees The inability to find suitable accredited training and development service providers The inability to recruit skilled employees Low employee attrition Labour strikes and demands The challenge of training inexperienced employees could take longer than anticipated
	WHAT ARE THE OPPORTUNITIES CREATED BY THE MATERIAL MATTERS? <ul style="list-style-type: none"> Employee development – bursaries and learnerships Identify and offer internships and learnerships in identified disciplines Increase capabilities of junior management Increase capabilities of middle management Employee health and safety Wellness programmes Create an entrepreneurial culture

EMPLOYEES	2020	2019	2018
Number of employees	1 998	1 751	617
Number of contractors	61	450	3 276
Number of employees and contractors	2 059	2 201	3 893
Number of employees who are deemed HDSA	1 474	1 783	3 406
Percentage of employees who are deemed HDSA	71.6%	81.0%	87.50%
Number of persons in management positions	1 402	410	30
Number of management who are deemed HDSA	1 059	1 778	711
Percentage of management who are deemed HDSA	75.5%	81.0%	87.5%
Number of employees who are female	813	606	322
Percentage of employees who are female	39.5%	27.4%	37.1%
Number of employees who are deemed permanent	1 782	2 199	3 885
Percentage of employees who are deemed permanent	86.5%	99.9%	99.8%
Number of employees who belong to a trade union	129	220	389
Percentage of employees who are unionised	6.3%	10.0%	10.0%
Percentage of employees and contractors operating in South Africa	100%	100%	100%
Employee turnover rate	(6.5%)	(43.5%)	(13.0%)
Total number of person hours worked (PHW)	4 411 868	4 014 624	5 663 575
Number of days lost due to absenteeism	2 888	1 265	1 130
Absenteeism rate	0.52%	0.25%	0.16%
Number of days lost due to industrial action/strikes	0	0	0
Total compensation paid to employees (rand)	604 425 055	296 531 310	258 643 000
Average compensation per employee (rand)	293 553	134 726	66 438
Total number of employees trained	1 851	923	426
Rand value of total employee training spend	12 574 583	7 155 437	1 481 506
Rand value of training spend per person trained	6 793	3 251	381
Percentage of employees trained in South Africa	100%	100%	100%
Percentage of training spend in South Africa	100%	100%	100%





TALENT MANAGEMENT



HUMAN RIGHTS



INDUSTRIAL RELATIONS

EMPLOYMENT EQUITY
AND TRANSFORMATION

HEALTH AND SAFETY



EMPLOYEE BENEFITS

TALENT MANAGEMENT

WORKFORCE TRENDS

In South Africa, the cost of attracting and retaining people with the correct calibre of skills and experience is increasing. It is difficult to source qualified workers as well as IT specialists. In addition, the unemployment rate continue to escalate and has an impact on wage growth in some areas.

Work-life balance is increasingly a key criterion for the younger generation, requiring businesses to adjust their working models to allow for flexitime and remote working conditions, developing communication channels and training managers how to lead remote teams. There has also been a number of labour legislation changes in recent times, which the Group has implemented to ensure compliance.

DIVERSE WORKFORCE

AEEI remains committed to building a workforce that reflects the communities in which we operate. As one of the leading black empowerment companies we believe that diversity helps us maintain our winning edge. Throughout our businesses, we strive to create an inclusive talent pool that taps into the potential found across race, gender, sexual orientation and demographics. We have intensified our efforts to entrench diversity and inclusiveness in all our business units through training, mentorship and recruitment programmes.

During the year 2 218 employees (including internships and learnerships) were trained (2019: 923) and a total of R12 574 583 (2019: R7 155 437) was spent on training.

As part of our Vision 2020 Vision, some of our high-level strategic focus areas include:

- fostering equality within our work environment irrespective of gender, race, creed and other forms of diversity;
- personal development plans for employees;
- promoting skills development and learnership programmes;
- promoting performance management;
- building leadership capacity among women;
- engaging with our employees at all levels, which provides us with the necessary feedback and input in understanding and responding to improving their skills and training needs;
- ensuring that jobs are available for learners after completion of learnership programmes; and
- ensuring full compliance with the changing regulatory requirements and that all Workplace Skills Plans, Annual Training Reports and Pivotal Reports as per SETA requirements have been developed.

Refer to pages 30 and 31 of the integrated report for further information on delivering value to our employees..

PERFORMANCE REVIEW

Managers in the Group conducted formal performance reviews, with their direct employees, including identifying career development opportunities and skills training in their respective key performance areas. Individual key performance areas are aligned with the Group's objectives and formal targets are set for the ensuing period. This review process forms part of the training report, skills development and succession plans. The performance rating of the employee determines the salary increase during the annual salary review process. Specifics differ in each business unit, but as a minimum each employee's incentive provides for performance, contribution to employment equity and financial results.

The Group acknowledges external trends that could affect employees and practices, and the Human Resources department plays a vital role in the sustainability of employment in the Group.

NURTURING FUTURE TALENT

Career development and succession planning remain key priorities. To secure and retain future talent, a skills audit and training needs analysis, including performance reviews, are used to fast track the process. Continual investment in skills retention allows for focused development of identified employees. The Group has an active policy to encourage individuals wishing to study further.

Some of the challenges faced are:

- Finding high quality talent
- The revolving door of talent
- Developing the next generation of leaders
- Achieving diversity

The purpose of succession planning is to ensure that plans are in place to develop potentially suitable candidates for the future and the focus also remains on the retention of key and critical skills in the Group.



BURSARIES AND LEARNERSHIPS

Our employees continued to benefit through our extensive skills development, wellness and employment equity programmes, and the Group has fully complied with the Employment Equity Act.

Bursaries were awarded to children of employees as well as to other candidates based on their matric or tertiary results, also considering their economic situation. During the year under review, learnerships and bursaries were awarded to deserving candidates in the Group and 2 218 employees (including internships and learnerships) (2019: 923) undertook training. A total of R12 574 583 (2019: R7 155 437) was spent on training during the year.



INTERNS AND GRADUATE INTERNS

The Group continued to offer workplace exposure to interns and graduate interns. Many of these interns have become permanent employees.

WHAT WE WANT TO ACHIEVE

Our human strategy focuses on strengthening the capability and integrity our employees bring to their roles, which in turn contributes to the success of the business and maximises stakeholder value.

Our focus

- Continue to develop our employees
- Continue to enhance diversity across the Group
- Continue to embed best people management practices
- Maintain constructive relationships with organised labour unions

Our approach

Our employees remain critical enablers of our strategy and key to improving our performance. The relevant skills and diverse ideas determine our operational excellence, the efficacy of our client-focused solutions and improvements.

CULTURE

+

ENGAGED
EMPLOYEES

=

EMPLOYER
OF CHOICE

Looking ahead

- Develop new and innovative ways to strengthen the mindset within the Group to ensure delivery on our strategic objectives.
- Continue with technology platforms and systems that supports the implementation of our strategy – this will improve communication, collaboration, knowledge sharing, promote diversity, as well as provide employee feedback.
- Develop more effective and integrated talent mechanisms to identify internal and external talent.
- Attracting and developing skilled young talent with diverse backgrounds and industry knowledge.

CHANGES DURING THE YEAR

During the year under review, we:

- Developed opportunities to expand our junior leadership.
- Implemented innovative approaches to learning skills – self-guided online training, coaching and virtual training.
- Identified further training to upskill employees for junior management positions.
- Identified further training for middle and senior management.
- Launched internship and mentorship programmes.
- Identified candidates for learnerships.
- Continued to create a culture of inclusivity.

HUMAN RIGHTS

The Group adhered to all labour legislation in South Africa, including the Constitution of the Republic of South Africa, Labour Relations Act, Employment Equity Act, Occupational Health and Safety Act, 1993 (No. 85 of 1993), Skills Development Act, 1998 (No. 97 of 1998), Skills Development Levies Act, 1999 (No. 9 of 1999) and Basic Conditions of Employment Act, 1997 (No. 75 of 1997).

The Group subscribes to freedom of association and collective bargaining and has employee-elected forums consisting of both organised (unionised) and non-organised (non-unionised) members, which are involved in deliberations and an ongoing drive to ensure equity in all aspects of the workplace.

Our focus

The Group decree is that:

- employees are educated on human rights;
- no child labour is permitted;
- no forced and compulsory labour is permitted; and
- there is zero tolerance towards fraud, corruption and related activities.

Our approach

We expect our suppliers, partners and customers to uphold our standards and contribute positively towards enforcing human rights.

The Group confirms that there were no human rights violations for the period under review.

INDUSTRIAL RELATIONS

The Group has formal policies and procedures in place in line with the Labour Relations Act. Subsidiary companies in the Group have an open relationship with the unions with whom they are involved, namely the Food and Allied Workers Union, the Trawler and Line Fishermen's Union and the National Certificated Fishing and Allied Workers Union.

Our focus

- Labour relations can raise tensions and the threat of industrial action which could lead to increased wage costs.

Our approach

- Maintain strong relationships with labour unions.
- Regularly review operational labour plans to ensure continuity of service to clients.

EMPLOYMENT EQUITY AND TRANSFORMATION

As part of our Vision 2020 Vision, which includes various targets, as well as our B-BBEE rating under the new codes, we will continue to promote and drive excellence and opportunities across our workforce by:

- further promoting empowerment and transformation at all levels in the Group;
- fostering equality within our work environment irrespective of gender, race, creed and other forms of diversity;
- meeting employment equity targets;
- ensuring full compliance with the changing regulatory requirements on employment;
- further entrenching The Way We Work, the Code of Ethics and Code of Conduct across the Group; and
- implementing a standardised report to review and monitor our progress across the Group on our diversity status.

EMPLOYMENT EQUITY

The Group has been successful in providing equal employment opportunities and in promoting internal employees, and it remains committed to driving employment equity goals and enhancing diversity across the Group.

The Group complies with the Employment Equity Act and senior executives work with the Department of Labour to ensure ongoing compliance and proactive implementation of regulations and plans. Open dialogue is encouraged between employees and management through our information sessions and committees.

In terms of section 22 of the Employment Equity Act, herewith a summary of the Group's 2020 Employment Report in respect of its operations as at 31 August 2020, as required by section 21 of the Act. Refer to page 21 for a detailed report.

GENDER AND RACE DIVERSITY

The Company believes that gender and race diversity at all levels in the Group maximises opportunities to achieve its business goals through an informed understanding of the diverse environments in which we operate. Gender and race diversity is one of the Group's key performance areas. We have Board-approved gender and race diversity, and broader diversity policies in place, and the companies in the Group remain aware of complying with the requirements of the policies for any new recruitments.

Our focus

- Sourcing, attracting and retaining a diverse group for business-critical positions.
- Managing the expectations of a multi-generational workforce.
- Accelerating the promotion of diversity given the low employee turnover across management levels.
- Continue to accelerate diversity to transform our succession pipeline.
- Work towards launching a job-shadowing intervention for potential successors.
- Works towards building an external talent pipeline for business-critical positions which will support and supplement the internal talent pool.

Our approach to diversity

Diverse teams with varied experiences, styles and backgrounds are better able to understand and meet the needs of our client base, improving our ability to compete for business. Transformation and diversity across the Group contributes to our relevance in certain markets. Our employment equity targets go beyond compliance. Our objective is to grow black representation and black women representation at senior management level.

The headcount in the Group, as at 31 August 2020, reflected 2 059 (2019: 2 201) permanent employees. The headcount increase is as a result of the acquisitions during the year. Temporary employment was created for more than 61 people during the year and 25 seasonal employment opportunities were created in our fishing and brands division.

Employee diversity

At AEEI we believe in the power of diversity to support our businesses. We are committed to diversity through all levels in the Group, up to and including leadership.

An ongoing challenge to our transformation efforts is the impact of employee transfers. When companies are acquired, the employees associated with these transfers into our business are part of the agreement – these transactions could have a dramatic impact on our employment equity statistics. This can also be exacerbated by the shortage of specific skills in various business units. To address these challenges, we continue to focus on growing talent that complements our transformation efforts through initiatives such as our learnership and internal development programmes.



PEOPLE WITH DISABILITIES

Our focus

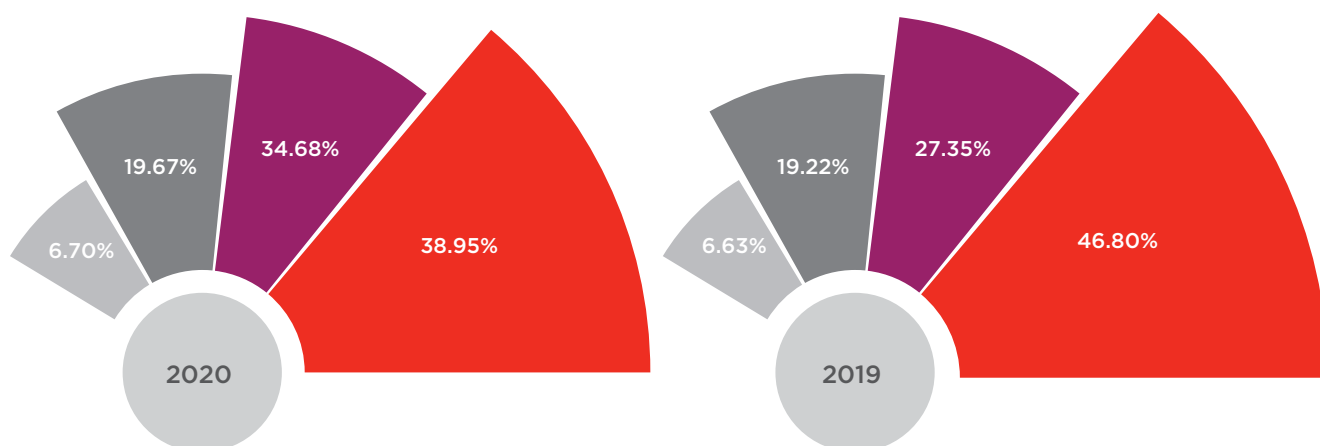
During the year, the Group continued to work on improving its recruitment process to accommodate people with disabilities.

Our approach

Continue to employ people with disabilities.

At an AEEI level, the Company directly employed nine people with disabilities until the end of February. Since the restructuring of the Company at the beginning of March, seven people have remained at AEEI and the other two have been retained within the Group.

DESIGNATED GROUPS				DESIGNATED GROUPS					NON-DESIGNATED GROUPS FOREIGN NATIONALS		TOTAL
		MALE				FEMALE		MALE	MALE	FEMALE	
CATEGORY	AFRICAN	COLOU-RED	INDIAN	AFRICAN	COLOU-RED	INDIAN	WHITE	WHITE	OTHER	OTHER	
AEEI Board members	1	2	1	1	1	0	0	1	0	0	7
Board executives (excluding AEEI Board members)	8	6	6	1	3	5	0	8	0	0	37
Senior management	13	11	9	11	9	2	7	33	1	0	96
Middle management	54	44	24	24	26	7	39	91	3	2	314
Skilled upper	214	198	41	160	146	16	73	92	6	1	947
Semi-skilled	81	75	7	79	97	8	14	5	2	1	369
Labour/unskilled	68	43	8	37	28	1	1	0	17	0	203
Seasonal	6	8	0	4	6	1	0	0	0	0	25
Contract workers (including interns and fixed-term contracts)	21	5	1	19	6	1	3	5	0	0	61
TOTAL	466	392	97	336	322	41	137	235	29	4	2059



2020		2019	
African	38.95%	African	46.80%
Coloured	34.68%	Coloured	27.35%
White	19.67%	White	19.22%
Indian	6.70%	Indian	6.63%
Total males		Total males	1 595
Total females		Total females	606
TOTAL	2 059	TOTAL	2 201

HEALTH AND SAFETY

The health and safety of all our employees within our Group remains of paramount importance, especially during the COVID-19 pandemic. The Group rigorously applies health and safety regulations in its quest for an accident-free working environment. During the year, our health and safety representatives undertook additional training to ensure compliance with the protocols for COVID-19.

The Group actively created greater awareness of risk exposure to COVID-19, and controls were increased to proactively reduce its stakeholders' vulnerability to environmental, health and safety hazards. Strategies are in place to manage and minimise the potential impact of HIV/Aids and the consequential loss of skills and productivity. AEEI has an appropriate and comprehensive HIV/Aids strategy throughout its subsidiaries.

Our focus

- The health and wellness of our employees are of extreme importance to the Group.
- Assist with work-related and personal challenges during the COVID-19 pandemic.
- Continue with the wellness programme.

Our approach

- Implemented a 7 Day Mental Health online course to assist with the wellbeing of our employees.
- Assisting and accommodating our employees to ensure wellness both in the workplace and home.
- Access to health and wellness information.
- During the lockdown period the following services are available and accessible to employees to access:
 - A health Line for Covid-19 support;
 - Financial support;
 - Counselling services for individuals and families in lockdown;
 - Advisory services on healthy coping, daily behaviours and planning; and
 - Managerial advice for oversight and keeping contact during lockdown.

The social, ethics and transformation committee continues to review the Group's compliance with applicable health and safety laws, and the compliance department actively monitors and reports on compliance with the relevant legislation in this regard.

SAFETY AND WELLNESS	2020	2019	2018
Number of fatalities	0	1	0
Number of first-aid cases (FACs)	51	53	34
Number of medical treatment cases (MTCs)	11	18	0
Number of lost-time injuries (LTIs)	11	165*	8
Total number of recordable injuries (MTCs, LTIs and fatalities)	22	184	8
Fatal injury frequency rate (FIFR)	0.00	0.050	0.00
Lost-time injury frequency rate (LTIR)	0.499	8.220	1.182
Total recordable injury frequency rate (TRIFR)	0.997	9.166	0.283
Number of employees and contractors receiving v VCT for HIV/Aids	0	0	5
Employees tested for HIV/Aids	0	0	5
HIV/Aids prevalence rate	0.00%	0.00%	0.00%

NOTE: 2019 injury data has been deemed not comparable due to previously unidentified errors. We believe these errors have been duly addressed in 2020 as a result of improvements to our data collection, collation and reporting processes, inclusive of analysis received while obtaining independent third-party assurance over most of our ESG data.

It is noted that AEEI provides a programme for employees to seek counselling and/or testing, but in the past couple of years, zero employees have accessed this service. It is assumed that this is due to one of two possible reasons:

- The HIV/AIDS incidence rate in the Western Cape, where the majority of AEEI's employees live and work, is much lower than further north in South Africa, although it is known that the prevalence of HIV/AIDS is relatively significant in certain communities, but people in these communities remain hesitant to disclose their status in the workplace.
- Access to services within the community have improved, therefore not requiring access to services provided by AEEI companies.

EMPLOYEE BENEFITS

Employees are extremely important stakeholders in the success of the Group. In order to foster the growth and well-being of the employees of the Group, the following is in place:

- Provident fund
- Medical aid
- Group risk insurance (linked to the provident fund)
- Employment equity
- Skills development
- Learnership programme
- Disciplinary code
- Funeral cover

For more information refer to the remuneration report in the integrated report on page 65 as well as the section on material issues – human capital on page 13.

SOCIAL AND RELATIONSHIP CAPITAL

INTRODUCTION

The Group is aware of the critical role that a business should play in the upliftment and development of the previously disadvantaged majority. We recognise that the COVID-19 pandemic is having a significant impact on our employees, their families and the local communities living around our operations, and we have taken a responsive approach to providing assistance.

The Group is committed to investing in the upliftment of society and in playing a pivotal role in improving the quality of life among the disadvantaged communities through its corporate citizenship initiatives. We continue to subscribe to a sustainable approach in conducting our business.

For AEEI, social sustainability and corporate citizenship goes beyond legislative compliance. It recognises the rights and responsibilities of businesses within a broader societal context and reinforces AEEI's mission of being a dynamic and innovative Company that creates superior stakeholder value.

AEEI's strategic focus on being an exemplary custodian assists us to manage our impact on the communities around us and actively contribute to their socio-economic development through various initiatives.

Many of the subsidiaries in the Group support their own initiatives in line with the Group's policy and their areas of operation. It is for this reason that we need to give back to the communities in which we operate by:

- driving the corporate social investment strategy across the Group by investing in social services in our communities and creating value through social investment;
- supporting local business and promoting social and economic development;
- providing employment opportunities and skills development;
- providing training and development through our internship programme;
- investing in the future of our youth by facilitating access to higher education;
- paying our taxes and royalties to government;
- driving the B-BBEE targets in the Group;
- further driving transformation throughout the Group;
- adhering to ethical standards and preventing corruption;
- ensuring effective risk management and compliance;
- promoting social and economic development;
- promoting partnerships with business peers, sector organisations and research bodies;
- having open channels of communications; and
- ensuring that the Group is seen to be a responsible corporate citizen.



HIGHLIGHTS ON THE PROGRESS ON OUR SOCIAL AND RELATIONSHIP CAPITAL IN 2020

The section below details the progress made in creating value, the relevant key performance indicators, our 2020 progress, the risks related to the material matter and the associated opportunities. We tracked our progress according to our capitals that is defined by the International Integrated Reporting Council's Integrated Reporting <IR> Framework as the resources and relationships that are used and affected by an organisation.



SOCIAL AND RELATIONSHIP CAPITAL

MATERIAL MATTER

- Sustained confidence of investors in our business
- Ethical and transparent leadership
- Corporate social investment (CSI) development
- Collaborative stakeholder engagement
- Support independent SMMEs
- Social community and economic development

KEY PERFORMANCE INDICATORS

- Drive the CSI strategy across the Group
- Paying our taxes and royalties to government
- Drive B-BBEE targets in the Group
- Drive diversity and transformation throughout the Group
- Adhere to ethical standards and prevent corruption
- Support local business and promote social and economic development
- Provide employment opportunities and skills development
- Training and development through our internship programme

2020 PROGRESS

- Continued to prioritise our social investment projects in skills development, community development and the environment through our strategy across the Group and created value through socio-economic investment
- Continued to drive diversity and transformation in our businesses
- Continued to stimulate growth and partnerships with SMMEs
- Contributed to enterprise development
- Contributed to supplier development
- Contributed to socio-economic development
- Focused on improving educational outcomes in the Western Cape and the Overberg region through training and development and investment in our youth
- Supporting an early childhood development (ECD) facility in an impoverished community
- Continued to pay the salaries for ECD teachers in an impoverished community
- Ensured closer working relationships with regulators
- Fostered positive employee and union relationships
- Supported local businesses and promoted social and economic development
- Supported SMMEs with interest free loans
- Provided employment opportunities, learnerships and skills development
- Ensured consistent and effective engagement with investors and stakeholders with the objective of aligning shareholder expectations with our strategy and targets
- Continued to create awareness of the Code of Ethics and Code of Conduct, including the whistle-blowing facility
- Continued to create awareness of The Way We Work Policy
- We had no breach of ethical standards or corruption reported
- We effectively monitored our risk management and regulatory compliance
- We paid our taxes and royalties to government
- We maintained constructive relationships with our partners, business peers and sector organisations
- We provided internship and mentorship programmes

WHAT ARE THE RISKS RELATED TO OUR MATERIAL MATTERS?

- Compliance with regulatory and legislative requirements requires the Group to keep abreast of changes, failing which could have reputational damage resulting in fines and loss of goodwill with the society at large
- Investor and stakeholder confidence in our businesses may be negatively impacted should we fail to uphold our responsibilities in our social relationships
- Negative reputation
- Industry regulations can impact the business performance

WHAT ARE THE OPPORTUNITIES CREATED BY THE MATERIAL MATTERS?

- AEEI is seen to be a responsible corporate citizen by investing in social services in our communities and creating value
- Promoting social and economic development by assisting small businesses to grow and add value
- Delivering on diversity and transformation
- Delivering on our B-BBEE targets
- Paying our taxes and royalties to government will contribute to social needs
- Providing employment opportunities and skills development for our employees
- Investing in the youth of tomorrow by facilitating access to higher education
- Strong risk management
- New investors
- Ongoing proactive and transparent relationships with our regulators
- Fostering synergistic relationships between private and public sectors
- Fostering an entrepreneurial culture



ENTERPRISE DEVELOPMENT

Enterprise development is an essential element to economic growth and can be done through investing time, knowledge and capital to assist SMMEs to establish, expand or improve their businesses, as well as empowering modest income-generating informal activities to grow and contribute to the local economy.

The Group's current enterprise development initiatives assists the development of HDSAs by providing opportunities and support, including financial support. The Group's preferential procurement contributed to the development of black-owned businesses by directing procurement spend to HDSA-owned businesses. The Group continues to improve on its supplier development initiatives. All subsidiaries adhere to the Group's procurement policy. All our suppliers are encouraged to be evaluated to determine the extent of their transformation. Only B-BBEE verification certificates from an accredited verification agency based on the gazetted B-BBEE codes are acceptable.

Economic growth is key to addressing unemployment, gender and race equality, health and poverty issues. We expect our enterprise development clients and suppliers to meet the same high standards that we apply in terms of ethics, labour rights, health and safety, and the environment. They are expected to adhere to our Enterprise and Supplier Code of Conduct.

Our business units improve sustainability standards and performance throughout their supply chain by:

- embedding sustainability into core business practices by integrating the Code of Conduct into contracts and assessing their sustainability performance through AEEI's business scorecard;
- engaging with suppliers and enterprise development clients to improve performance through audits, corrective actions and follow-up engagements;
- assisting to steer the economy towards a stable environment that nurtures growth and increases the country's economic competitiveness;
- partnering to build capability through training and regular dialogue;
- fostering relationships between the private and public sectors to embrace social investment as a common vision; and
- fostering an entrepreneurship culture among previously disadvantaged groups.

LOCALISATION

AEEI's business units encourage enterprise development clients and suppliers to improve disclosures about their performance. This, in turn, helps us to support them to build their capability and improve their performance. Increasing transparency and addressing sustainability in the supply chain allows them to build customer trust, reduce costs, secure continuity of supply, respond to stakeholder needs, and protect our brand. Collaboration with suppliers also encourages innovation to develop more sustainable products for our customers.

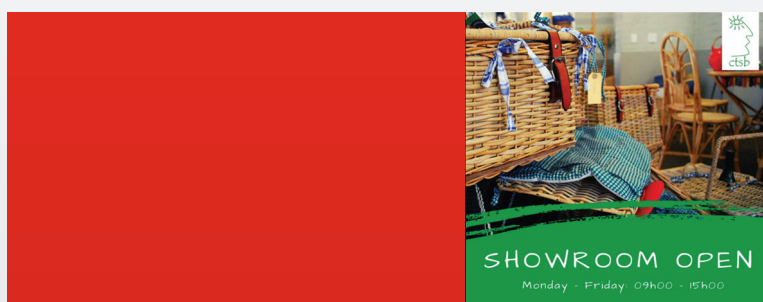
The Group continues to pursue partnerships with key stakeholders and form joint venture initiatives to promote localisation. Our business units continue to engage with their principals to identify opportunities for local manufacture and to promote skills transfer in line with South Africa's National Development Plan 2030.

SUPPLIER DEVELOPMENT

AEEI continues to look at ways to strengthen efficiencies within the traditional supplier base while increasing capacity and procurement from non-traditional, historically disadvantaged service providers. The efforts remain essential to promoting sustainability and creating value among our stakeholders.

The supplier workshop initiated a few years ago continues with:

- all divisions in the Group to further their B-BBEE compliance;
- all divisions in the Group to accelerate empowerment within their procurement operations; and
- the Group's supply chain as new suppliers are considered under the terms of transformation and black economic empowerment.



SOCIO-ECONOMIC DEVELOPMENT

The corporate social investment programmes, which are managed through AEEI and the Sekunjalo Development Foundation (SDF), aim to create a sustained social impact through focused activities. The Group continues to invest in the upliftment of society and in playing a pivotal role in improving the quality of life in disadvantaged communities.

The SDF manages the active corporate social investment (CSI) programme for the AEEI Group. We have selected focus areas that have an impact on individual and societal development and play a significant role in nurturing young people who represent the future. This strategy is shaped by an increasing need to ensure effective stakeholder relations and the socio-economic needs of the communities in which the Group conducts its business.

We believe that socio-economic development goes beyond legislative compliance and continually strive to meet and exceed the benchmarks set by the B-BBEE Codes of Good Practice. The Group recognises the rights and responsibilities of businesses within a broader societal context and reinforces its aim to implement a social contract between business, government and civil society.

By developing entrepreneurs and supporting SMMEs and small businesses in the communities in which the Group operates, we in turn stimulate economic growth and create work opportunities. In addition to the value we create through our business units, we assist the communities through our enterprise development initiatives, which contribute to economic development and transformation.

Some of the Group's socio-economic development initiatives include:

- supporting an ECD facility;
- paying salaries to ECD teachers;
- learnership programmes which raise the skill levels of previously disadvantaged individuals;
- financial and in-kind contributions to ECD, youth centres and adult teacher training;
- organisational involvement and sponsorship of start-up workshops held annually;
- investment in several emerging, black-owned technology enterprises at an enterprise development level through business incubation programmes;
- access to resources that encourage innovation;
- supporting entrepreneurs as they extend their product offering;
- placement of interns in our various business units;
- full administration support and services – including infrastructure;
- assisting with start-up costs for new business ventures;
- infrastructure development;
- bursary programmes;
- imparting skills and resources to small businesses to improve business management capacity;
- offering learning programmes within the digital space; and
- developing small businesses within the entertainment industry and to grow community-based services.

The Group spent R17 467 754 on socio-economic development/corporate social investment initiatives in 2020 compared to R10 276 950 in 2019.

Our Vision 2020 Vision includes various targets. Below are some high-level strategic focus areas:

- Continue to support the communities within which we operate
- Continue with the contributions to ECD, youth centres and adult teacher training
- Provide access to education for previously disadvantaged children from Grades R to Grade 12
- Assist with access to resources – financial and in-kind
- Support entrepreneurs and assist with their development
- Assist with infrastructure development
- Provide learnership programmes
- Provide bursaries
- Provide internship programmes
- Provide investment for business incubation programmes
- Continue to provide administration support and services, including infrastructure
- Assisting with start-up costs for new business ventures



ECONOMIC SUSTAINABILITY

VALUE DISTRIBUTION	2020 R'000	2019 R'000	2018 R'000
Employees	549 445	381 137	197 303
Retained for growth	123 474	(42 530)	94 996
Debt providers	31 759	32 786	31 217
Government	81 610	108 576	75 198
Communities	21 451	16 171	8 949
Capital providers	185 005	217 078	71 795

VALUE DISTRIBUTION	2020 R'000	2019 R'000	2018* R'000
Total revenue	3 427 579	2 512 623	700 691
Total profits (before tax)	111 155	651 375	6 010 650
Total assets	7 211 679	4 929 273	7 362 276
Total liabilities	1 042 193	438 037	1 697 227
Percentage of revenue generated in South Africa	90%	85%	74%
Percentage of net profit after tax generated in South Africa	96%	96%	98%
Total compensation paid to executive directors (AEEI Board)	5 832	11 953	11 968
Total compensation paid to employees and contractors (including wages and benefits)	604 425	296 531	258 643
Total compensation paid to prescribed officers	0	0	0
Rand value of HDSA procurement	26 238	1 834 787	982 403
Rand value of Company procurement (AEEI)	23 062	43 623	43 221
Rand value of all payments to governments (VAT, income tax, rates and taxes, royalties, and all other payments)	2 696	136 558	77 087
Percentage of total taxes paid in South Africa	100%	100%	100%
Total rand value of research and development spend	14 889 110	7 659	9 504
Total rand value of dividends to be paid/payable to AEEI shareholders	78 578	132 678	43 238
Total rand value of dividends paid by subsidiary companies	106 427	184 950	149 604
Total rand value of earnings retained (excluding non-controlling interest)	2 826 314	2 905 241	4 498 480

*2018 figures were restated.

CORPORATE SOCIAL INVESTMENT (CSI)

The Group invests directly in some of its CSI programmes while others are managed through the Sekunjalo Development Foundation (SDF). The aim is to create a sustained social impact through focused activities. AEEI and the SDF have selected focus areas that have an impact on individual and societal development and play a significant role in nurturing young people who represent the future.

AEEI and the SDF's approach is to:

- encourage employee participation and volunteering in its CSI programmes;
- prioritise CSI across the Group, focusing on set initiatives that support societal challenges; and
- ensure the integration of community needs.

 <p>ARTS AND CULTURE</p> <ul style="list-style-type: none"> • Cape Town International Jazz Festival Workshops • African Musicians Trust 	 <p>EDUCATION</p> <ul style="list-style-type: none"> • Back to School programme • Learnership programme • Internship programme • Premier Fishing Bursary Trust • Premier Fishing Learnership Programme • Where Rainbows Meet – Training and Development Foundation 	 <p>SPORTS DEVELOPMENT</p> <ul style="list-style-type: none"> • Saldanha Bay Rugby Club • Gansbaai and Hawston Primary Schools
 <p>ENTERPRISE DEVELOPMENT</p> <ul style="list-style-type: none"> • Funding for businesses • Anela Agri Enterprise Development • Engeli Enterprise Development 	 <p>SOCIAL DEVELOPMENT</p> <ul style="list-style-type: none"> • AEEI/Health System Technology's Annual Golf Day • Sekunjalo Development Foundation • Things on Wheels 	 <p>OTHER</p> <ul style="list-style-type: none"> • Direct support for NGOs and community groupings

AEEI and the SDF continue to move away from ad hoc requests towards focused areas, which are shaped by an increasing need to ensure effective stakeholder relations and the socio-economic needs of the communities in which the Group conducts its business.

For the year ahead, AEEI and the SDF will continue with its CSI programmes in the focused areas with more emphasis in the areas of social and enterprise development.

The Group participated in the following during the year:

ARTS AND CULTURE

CAPE TOWN INTERNATIONAL JAZZ FESTIVAL WORKSHOPS



The Cape Town International Jazz Festival is world renowned as Africa's Grandest Gathering. The 21st annual festival was cancelled due to the COVID-19 pandemic.

However, preceding the festival, prior to its cancellation, espAfrika held a series of workshops targeted at previously disadvantaged individuals, which included school workshops, arts journalism, music business, master classes and gigs for kids, and the free pre-festival community concert.

espAfrika also has mentoring programmes and internships across all departments, including media and marketing, project management, talent, production, logistics and public relations. Our children from Where Rainbows Meet and our music students from the Edujazz Big Band are active participants in these workshops.

AFRICAN MUSICIANS TRUST

We continued to provide support for the African Musicians Trust, whose objective is to engage, equip, support, guide and educate South African musicians, and empower them to grow their careers by providing a platform for marketing, public relations, events management, training and networking. They are also looking to provide a medical aid and a provident fund for musicians to enable them to live with dignity in their later years.



EDUCATION

BACK TO SCHOOL PROGRAMME

Some of our past students have gone back to school with the financial assistance of the Group. Some of these students have also benefited from the Company's bursary programme, which continues to be rolled out in the fishing communities of Hermanus and Gansbaai.



PREMIER FISHING BURSARY TRUST

This bursary trust assists employees to further educate their dependants who wish to study at a tertiary institution.

The bursary also includes dependants in Grades 11 and 12 wanting to qualify for future higher education, by assisting them with additional lessons. To date, the bursary trust has assisted more than 150 dependants.

PREMIER FISHING LEARNERSHIP PROGRAMME

The learnership programme covers all employees in the advancement of skills and training in society and the contribution to the socio-economic conditions of society. To date, the learnership programme has assisted more than 200 employees.

WHERE RAINBOWS MEET - TRAINING AND DEVELOPMENT FOUNDATION

Selwyn Early Childhood Development (ECD) Programme

Where Rainbows Meet - Training and Development Foundation is based in the community of Vrygrond, the oldest informal settlement in the Western Cape. The foundation is based within the community, providing services for that community, and is managed and facilitated by members from the same community and surrounding areas.

The programme was started in 2009 with four children and now hosts more than 1 200 children in various programmes. The need arose as the children were left unsupervised and alone on the streets during the day because their parents were involved in alcohol and drug abuse. A safe, supervised environment was created for these young children during the day and they are encouraged to attend other programmes on offer.

As part of government's ECD programme, the Group has ensured that these young learners are provided with the best foundation phase education and in doing so provided financial support for qualified ECD teachers' salaries for the year under review.

With contributions from the Company and the Group they could assist in the basic day-to-day needs of the children in the foundation phase of the programme.



BURSARIES AND LEARNERSHIPS

Various subsidiaries in the Group offer bursaries and learnerships to members of the communities in which they operate. Employment opportunities also exist by placing the learners within the Group after their learnership has been completed.

INTERNS AND GRADUATE INTERNS

The Group continues to offer workplace exposure to interns and graduate interns, and some of these interns have become permanent employees.

SPORTS DEVELOPMENT

SALDANHA BAY RUGBY CLUB

The Saldanha Bay Rugby Club, situated in the heart of the West Coast, is open to all members of the community. The club has a strong focus on sports development for the youth. The SDF continues with sponsorship of their rugby teams. We previously assisted with their gymnasium for their clubhouse as it allows players to condition themselves to be more competitive.

GANSBAAI AND HAWSTON PRIMARY SCHOOLS

The Gansbaai and Hawston Primary Schools, situated in the Overberg region, were assisted with sponsorship of their sports teams. This resulted in the students being able to actively participate in sports development at a competitive level.

ENTERPRISE DEVELOPMENT

FUNDING FOR BUSINESS

We continue to assist black empowerment companies in various industries in South Africa with financial support and start-up costs. Ongoing assistance and infrastructure is provided monthly to assist with the operational costs, including mentoring and business skills.

ANELA AGRI ENTERPRISE DEVELOPMENT FUND

The Anela Agri Enterprise Development Fund provides loan funding at prime less 5% to Grassroots capital which lends to end beneficiaries at prime less 2%, retaining 3% of the loan funding for its costs and risks taken. Prescient Investment Management (Cape Town), a registered financial services provider, administers and manages the fund.

As the funds are distributed directly to a specific emerging black entity, an enterprise development agreement was signed between AEEI and the end beneficiary for a five-year period.

This year, AEEI's contribution has provided financial assistance and technical support from Grassroots Capital to an emerging farmer.

ENGELI ENTERPRISE DEVELOPMENT (ENGELI)

Engeli was established in 2011 by a group of enterprise development specialists who have extensive experience, both locally and abroad. The team consists of skilled and experienced engineers, technologists, business support specialists, lawyers and accountants and provides B-BBEE business solutions which include strategy formulation, marginal cost analysis, design and implementation of B-BBEE interventions (ownership, skills development, enterprise and supplier development, procurement and socio-economic development), transformation and localisation, fund management and capital raising, supply chain development and business incubation, SMME support and skills development.

Engeli is a 51% black-owned and 51% black women-owned company and is a verified Black Fund Manager trading under its Financial Services Board licence.

SOCIAL DEVELOPMENT

AEEI/HEALTH SYSTEM TECHNOLOGIES ANNUAL GOLF DAY

Since it was launched in 2004, this event has raised more than R1.5 million for public sector hospitals and clinics. Public sector hospitals and clinics in the Western Cape including Groote Schuur (paediatric ward), GF Jooste, Brooklyn Chest Hospital, Mowbray Maternity, Somerset Hospital, Victoria Hospital, DP Marais SANTA Hospital, Westfleur Hospital, Helderberg Hospital, Prince Albert Hospital, Clanwilliam Hospital, Caledon Hospital, Lentegeur Hospital, Khayelitsha Hospital, Paarl Hospital and Knysna Hospital. These facilities have all been recipients of the generous proceeds raised at this golf day, which is now a firmly established annual event.

This year's event was postponed due to the COVID-19 pandemic, but the Group remains committed to this social development programme.

SEKUNJALO DEVELOPMENT FOUNDATION (SDF)

The SDF has made a significant number of contributions to various organisations and causes. We believe that these groups are doing very necessary work in their respective communities and we gladly support them.

The SDF's mission is to support and positively impact disadvantaged and marginalised communities through initiatives which enable the transformation of South Africa and Africa's social and economic landscapes.

These initiatives focus on the following areas:

- Arts and culture
- Education
- Youth development and entrepreneurship
- Human rights and social justice
- Environmental sustainability

The SDF provided funding, as well as other forms of assistance, to organisations with a similar vision. Emphasis is placed on providing opportunities for empowerment of vulnerable communities and individuals, especially women and children. At the core of SDF is the commitment to promoting holistic, values-based development of socially conscious citizens. The following initiatives were supported during the year:

- Masikhule Early Childhood Development
- Masonwabe Primary School
- Pioneer School for the visually impaired
- Sekunjalo Music Academy
- Bush Radio
- Unmute Dance and Theatre
- 9 Miles Project
- Cape Town Society for the Blind
- Durbanville Children's Hospital
- Ikasi Creative Media
- Komani Umtshayelo Foundation
- Little Angels Home
- Mind Over Matter
- The Orion Organisation
- Read to Rise
- Educational Fees for students



THINGS ON WHEELS

Things on Wheels supports schools in the communities in the Western Cape. Their mobile feeding scheme provides children in impoverished areas with access to a meal or a sandwich daily. The SDF continues to assist with funding for this project.



OTHER






DIRECT SUPPORT FOR NGOS AND COMMUNITY GROUPINGS

The Group acknowledges its responsibility to the social upliftment of the communities within which it operates. Through the continuation and expansion of its social responsibility programmes, the SDF provides donations or other support to various individuals, NGOs, community projects and education causes.

The Group has committed itself to contributing to the alleviation of hunger, poverty, illiteracy, unemployment, crime and all those ills that negatively affect the moral fibre of the South African society.

RETURN ON CORPORATE SOCIAL INITIATIVES

1.76% SPEND VS WEALTH CREATED

	IMPACT	RETURN ON INVESTMENT
 ARTS AND CULTURE	Society	<ul style="list-style-type: none"> • Shared value with communities and organisations • Education of arts and culture, especially in the music arena • Education and mentorship • Self-sufficient – many of our students have become musicians in their own right and have become self-sufficient, and some are the only breadwinners in their families • Benefits to the communities • Promotion of African arts and culture
 EDUCATION	Communities	<p>Education is a global equaliser. With education, people and communities around the world can become self-sufficient and prosper. Our investments in education in the communities has resulted in:</p> <ul style="list-style-type: none"> • Improved education outcomes • Increased literacy rates • Learnership programmes • An internship programme • Increased student engagements and performance • Training • Skills development • Access to ECD – live, learn and play • Growth and entrepreneurship • Employment opportunities • The empowerment of previously disadvantaged women and men to actively participate in building healthy communities
 SPORTS DEVELOPMENT	Communities	Promotion of sports development in impoverished communities
 ENTERPRISE DEVELOPMENT	Communities	<ul style="list-style-type: none"> • Promotion of an entrepreneurial culture • Ensured stability, growth and profitability of young entrepreneurs • Promotion of supply chain development and business incubation • Promotion of emerging farmers at grassroots level • Promotion of businesses owned and businesses run by women to become sustainable • Workforce development • Assisted to steer the economy towards a stable environment
 SPECIAL PROJECTS	Environment	Created awareness around sustainability, pollution, water, air, electricity and other environmental issues
 SOCIAL DEVELOPMENT	Society	<ul style="list-style-type: none"> • Ensured a better quality of life • Promoted education • Improved access to childcare and families • Promoted access for women in shelters • Supported NGOs to build capacity and improve efficiency of resources to the communities they support • Ensured a better quality of life for people with disabilities • Provided skills development through our various initiatives • Provided internships • Social education

CSI/SED EXPENDITURE	2020 R'000	2019 R'000	2018 R'000
Rand value of CSI/SED	17 468	10 277	6 657
Percentage of CSI/SED spend invested in South Africa	100%	100%	100%
Education	2 552	1 359	617
Skills development	12 574	4 430	1 874
Health and HIV/Aids	0	0	0
Basic needs/social	62	543	684
Enterprise development	1 635	6 109	172
Arts and culture	32	1 833	1 101
Rand value spend on small business development	652	1 040	540
Discretionary spend	918	2 474	1 338

VALUE-ADDED STATEMENT

A measure of the value created by the Group is the amount of value added by its diverse activities to the cost of raw materials, products and services purchased.

This statement shows the total value created and how it was distributed.

	2020 R'000	2019 R'000	2018 R'000
Cash value generated from revenue	3 315 142	1 618 156	1 284 002
Less cost of materials and services	(2 579 719)	(1 162 515)	(837 965)
Value added	745 423	455 640	446 036
Investment revenue	247 321	257 578	33 421
Wealth created	992 744	713 218	479 457
Distributed as follows:			
Employees	549 445	381 137	197 303
Capital providers	185 005	217 078	71 795
Debt providers	31 759	32 786	31 217
Communities	21 451	16 171	8 949
Government	81 610	108 576	75 198
Retained for growth	123 474	(42 530)	94 996
Wealth distribution	992 744	713 218	479 457
Employee statistics			
Number of employees at year-end	2 059	2 201	889
Turnover per employee	1 610	735	1 444
Value added per employee	362	207	502
Wealth created per employee	482	324	539


NATURAL CAPITAL

INTRODUCTION

Our natural capital includes the responsible use of natural resources, our effective environmental management systems, our goals to address carbon emissions, the responsible use of electricity and water and our carbon emissions.

HIGHLIGHTS ON THE PROGRESS ON OUR NATURAL CAPITAL IN 2020

The section below details the progress made in creating value, the relevant key performance indicators, our 2020 progress, the risks related to the material matter and the associated opportunities. We tracked our progress according to our capitals that is defined by the International Integrated Reporting Council's Integrated Reporting <IR> Framework as the resources and relationships that are used and affected by an organisation.

 NATURAL CAPITAL	MATERIAL MATTER <ul style="list-style-type: none"> Review energy consumption and efficiency through the use of alternative energy in our operations Manage our water consumption Manage our hazardous waste
KEY PERFORMANCE INDICATORS <ul style="list-style-type: none"> Effective environmental management system (fishing) Waste and electricity management (fishing) Allocation of capital to address long term goals Waste management Effective water usage Environmentally-friendly products Investment in research and development and partnering with others to find innovative solutions related to our processes and by-products 	2020 PROGRESS <ul style="list-style-type: none"> Continued with the implementation of renewable energy solutions in our fishing and brands division Reviewed and implemented further additions to the environmental management system Reduced electricity consumption Reduced water consumption Capital allocated for the implementation of long-term goals
	WHAT ARE THE RISKS RELATED TO OUR MATERIAL MATTERS? <ul style="list-style-type: none"> The uncontrollable cost of electricity and load shedding The uncontrollable costs of petrol and diesel The uncontrollable cost of water The extent of future water scarcity in the country
	WHAT ARE THE OPPORTUNITIES CREATED BY THE MATERIAL MATTERS? <ul style="list-style-type: none"> Further implementation of renewable energy through a phased approach at the abalone farm Convert natural capital into financial and societal value by deploying technology and other resources Implement innovative procedures to reduce electricity and water consumption Leveraging industry expertise on waste management Leveraging industry expertise on alternative water and energy resources

ENVIRONMENT

	2020	2019	2018
Total direct energy consumption (GJ)	19 290	7 542	9 872
Total indirect energy consumption (GJ)	9 581	1 825	2 323
Total energy consumption (GJ)	28 871	9 367	12 195
Total electricity consumption (MWh)	4 378	2 601	848
Average electricity consumptions per PHW (kWh/PHW)	0.99	0.06	0.04
Total carbon emissions (Tons CO ₂ e) - Scope 1	2 010		
Total carbon emissions (Tons CO ₂ e) - Scope 2	4 553		
Total carbon emissions (Tons CO ₂ e) - Scope 3	26		
Total carbon emissions (Tons CO ₂ e) - Scope 1, 2 & 3	6 589	2 138	2 783
Average volume of carbon emissions per hour worked (tons Co ₂ e/HW)	1.49	0.53	0.49
Total water consumption (kl)	49 841	42 762	51 780
Average water consumption per PHW (l/h)	11.30	10.65	9.14
Total non-hazardous waste sent to landfills (tons)	184.73	39.00	40.00
Total hazardous waste sent for disposal (tons)	1.99		
Total volume of waste sent for recycling (tons)	16.56	23.00	25.00
Percentage of waste sent for recycling (tons)	8.9%	59.0%	62.5%

NOTE:

Some data has been deemed not comparable to prior year data due to significant year-on-year variations. However, we believe that these variances are the result of improvements to our data collection, collation and reporting processes, inclusive of analysis received while obtaining independent third-party assurance over most of our ESG data.

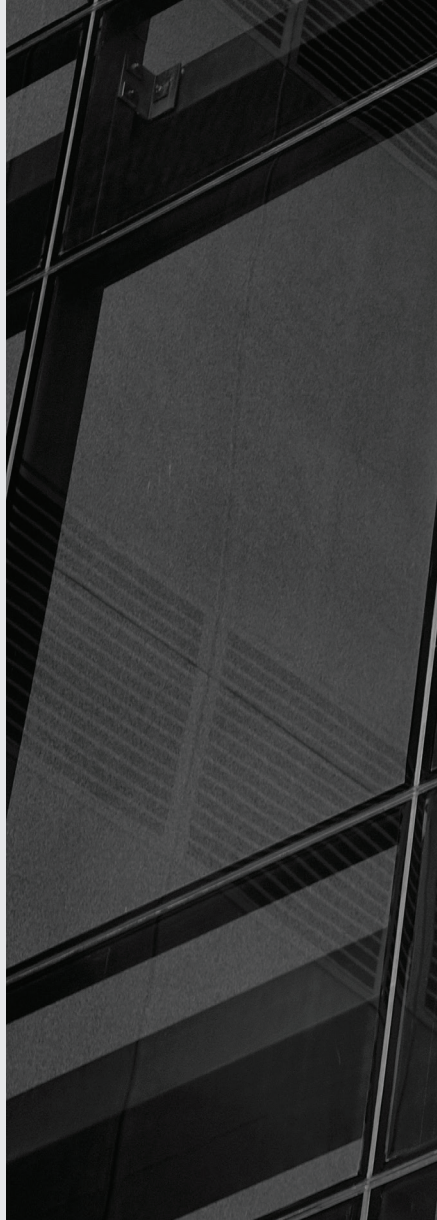
AEEI remains fully committed to and cognisant of the necessity for environmentally sound practices. The Group remains on target for the following efficiency improvements (by the end of the 2022 financial year of):

- Energy 20% GJ per PHW
- Electricity 15% kWh per PHW
- Carbon 20% kg CO₂e per PHW
- Water 20% litres per PHW

The fishing and brands division identified monitoring and measuring programmes to further increase its environmental accountability and sustainable fishing practices.

AEEI is not a member of the Carbon Disclosure Project - Driving Sustainable Economies, Water Disclosure Project or a signatory to the UN Global Compact.





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