



AFRICAN EQUITY
EMPOWERMENT
INVESTMENTS
LIMITED

2021

SUSTAINABILITY
REPORT

CONTENTS

INTRODUCTION	2
Environmental, social and governance data table (ESG)	2
About this report	6
Reporting boundary and scope	6
Statement of responsibility	7
Awards and achievements	7
AEEI AT A GLANCE	8
Business profile	8
Organisational structure	8
Vision	10
Strategy	10
SUSTAINABILITY	11
Sustainability governance	11
Our sustainability governance framework	12
Our approach to sustainability	14
Our approach to materiality	14
HUMAN CAPITAL	16
Introduction	16
Our approach to managing human capital	17
Talent management	19
Human rights	23
Industrial relations	24
Employment equity and transformation	24
Health and safety	25
COVID-19 and our employees	29
Employee benefits	30
SOCIAL AND RELATIONSHIP CAPITAL	31
Introduction	31
Enterprise development	34
Localisation	35
Supplier development	35
Socio-economic development	35
Corporate social investment (CSI)	37
Value-added statement	46
NATURAL CAPITAL	47
Introduction	47



INTRODUCTION



ENVIRONMENTAL, SOCIAL AND GOVERNANCE DATA TABLE (ESG)

ENVIRONMENTAL	UNITS OF MEASURE	2021	2020	2019
Direct energy - Total - from renewable fuels burned (i.e., diesel, petrol and/or other fuels)	GJ	21 263	19 290	7 542
Direct energy - Renewable - Total energy consumed from renewable resources (Gigajoules, GJ) i.e., from solar, wind etc	GJ	9	0	0
Total direct energy consumption - all sources - non-renewable and renewable	GJ	9 581	4 378	2 601
Direct energy efficiency: Total direct energy consumed per person hour worked	kJ/PHW	5 585.62	4 372.30	2 601
Percentage of direct energy consumption from renewable fuels (i.e., renewables + (Non-renewables + renewables))	%	68.90	66.80	80.50
Total volume of electricity purchased - excluding self-generated from solar, wind or other sources	MWh	39 875	4 378	2 601
Total volume of electricity consumed (MWh) - purchased + self-generated	MWh	39 884	4 378	2 601
Total volume of electricity self-generated (MWh) - i.e. from solar, wind or other sources	MWh	9	0	0
Total volume of electricity consumed (MWh) - purchased + self-generated	%	0	0	0
Percentage of electricity consumed that was self-generated	%	0.00	0.00	0.00
Electricity efficiency: average electricity consumed per person hour worked	kWh/PHW	10.48	0.99	0.65
Total direct and indirect energy consumption in Gigajoules	GJ	28 986	28 871	9 367
Total energy efficiency: total direct energy & indirect energy consumed per person hour worked (kJ/PHW)	kJ/PHW	7.61	6.54	2.33
Does the Company report a target for electricity consumption, or reductions, against a specific denominator (e.g. per PHW)	Yes/No	Yes	Yes	Yes
Does the Company report a target for total energy consumption or reductions, against a specific denominator (e.g. per PHW)	Yes/No	Yes	Yes	Yes
Total Carbon Emissions (Tonnes TCO ₂ e) - Scope 1	TCO ₂ e	7 792	2 010	Not reported
Carbon Emissions (Tonnes TCO ₂ e) - Scope 2	TCO ₂ e	12 650	4 553	Not reported
Total Carbon Emissions (Tonnes of Carbon Dioxide equivalents, TCO ₂ e) - Reported	TCO ₂ e	20 468	6 589	2 138
Total Carbon Emissions (Tonnes of Carbon Dioxide equivalents, TCO ₂ e) - Calculated	TCO ₂ e	20 442	6 589	2 138
Carbon Intensity: Average Volume of Carbon Emissions per Person Hour Worked (Tonnes TCO ₂ e/PHW)	TCO ₂ e/PHW	0.005	0.001	0.000
Does the Company report a target for carbon emissions, or reduction, against a specific denominator (e.g. per PHW)	Yes/No	Yes	Yes	Yes
Total volume of water consumed (Kilolitres, or kl) - new purchases and/or abstractions (excluding recycled water used)	kl	97 346	49 841	42 762
Water efficiency: average volume of water (Litres) consumed per person hour worked (kl/PHW)	kl/PHW	25.572	11.297	10.652
Does the Company report a target for water consumption, or reduction, against a specific denominator (e.g. per PHW)	Yes/No	Yes	Yes	No
Total volume of non-hazardous waste disposed (Tonnes)	T	185	185	39
Average volume of non-hazardous waste per person hour worked (Tonnes/PHW)	T/PHW	0.000	0.000	0.000
Total volume of hazardous waste disposed (Tonnes)	T	2	2	0
Average volume of hazardous waste per person hour worked (Tonnes/PW)	T/PHW	0.000	0.000	0.000
Total volume of waste sent for recycling (Tonnes)	T	20	17	23
Percentage of waste disposed of that is sent for recycling	%	9.50	8.90	59.00
Total number of environmental incidents (Level 1, 2 and/or 3)	Number	0	0	0
Total number of environmental fines and/or non-compliances	Number	0	0	0
Total number of environmental complaints	Number	0	0	0

2

GOVERNANCE	UNITS OF MEASURE	2021	2020	2019
Board members	Number	8	7	8
Non-executive Board members	Number	6	5	6
Percentage of non-executive members	%	75.00	71.40	75.00
Executive Board members	Number	2	2	2
Prescribed Officers: persons who are not already counted as "Executives"	Number	0	0	0
Independent Board members	Number	4	4	4
Percentage of Independent Board members	%	50.00	57.10	50.00
HDSA Board members*	Number	7	6	8
Percentage of HDSA Board members	%	87.50	85.70	100.00
Female Board members	Number	2	2	3
Percentage of female Board members	%	25.00	28.60	37.50
Average length of executive directors' service	Years	2	2	4
Average length of non-executive directors' service	Years	3	0.50	1
Average length of executive and non-executive directors' service (full board)	Years	2	2	11
Average age of directors	Years	48.00	46.90	46.60
Overall Board and Committee meeting attendance	%	100.00	83.30	88.30
Name of External Auditor	Crowe JHB and THAWT Inc.	Crowe JHB and THAWT Inc.	Crowe JHB and THAWT Inc.	BDO South Africa Inc.
Auditor remuneration: % of non-audit fees	%	0.00	0.00	0.00
Length of current auditor's service	Years	2	1	22
Independence of Board chairman	Yes/No	No	No	No
Publicly available policy on Board Conflicts of Interest & Politically exposed persons (PEP)	Yes/No	No	No	No
Public disclosure on any/all Board member conflicts of interest	Yes/No	No	No	No
Public disclosure on any/all Board member politically exposed persons (PEP)	Yes/No/Not Reported	Not Reported	Not Reported	Not Reported
Publicly available climate-related financial disclosures, as per TCFD*	Yes/No/Not reported	No	No	No
Publicly available human rights policy	Yes/No	No	No	No
ESG included into service level agreements with suppliers	Yes/No	No	No	No
Formally audit suppliers and contractors for ESG compliance (including human rights)	Yes/No/Not reported	No	No	No
Shareholders' non-binding vote on executive remuneration	Yes/No/Partial	No	No	No
Shareholders' vote on sustainability-related resolutions, and are the votes binding?	Yes/No/Partial	No	No	No
Publicly disclose voting record on sustainability-related resolutions and are the votes binding?	Yes/No/Partial	No	No	No
Executive remuneration linked to ESG	Yes/No/Not reported	Not Reported	Not Reported	Not Reported

* HDSA - Historically disadvantaged South Africans

* PEP - Politically exposed persons

* TCFD - Task Force on Climate-related Financial Disclosures

3

ECONOMIC	UNITS OF MEASURE	2021	2020	2019
Total revenue	R'000	2 339 169	3 427 579	2 512 623
(Loss)/Total profits (before tax)	R'000	(180 849)	111 155	651 375
Total assets	R'000	6 449 826	7 211 679	4 929 273
Total liabilities	R'000	1 036 103	1 042 193	438 037
Percentage of revenue generated in South Africa	%	90%	90%	85%
Percentage of net profit after tax generated in South Africa	%	96%	96%	96%
Total compensation paid to executive directors (AEEI Board)	R'000	4 112	11 414	11 953
Total compensation paid to employees and contractors (including wages and benefits)	R'000	793 162	746 757	296 531
Total compensation paid to prescribed officers	R'000	0	0	0
Rand value of HDSA procurement (AEEI)	R'000	38 893	26 238	1 834 787
Rand value of Company procurement (AEEI)	R'000	5 007	23 062	43 623
Rand value of all payments to governments (VAT, income tax, rates and taxes, royalties, and all other payments)	R'000	250 685	373 108*	136 558
Percentage of total taxes paid in South Africa	%	100%	100%	100%
Total rand value of research and development spend	R'000	2 448 544	14 889 110	7 659
Total rand value of dividends to be paid/payable to AEEI shareholders	R'000	196 408	147 307	132 678

*2020 Figure has been corrected

HUMAN CAPITAL	UNITS OF MEASURE	2021	2020	2019
Number of employees	Number	1 480	1 998	1 751
Number of contractors	Number	609	61	450
Number of employees and contractors	Number	2 089	2 059	2 201
Number of employees and contractors operating in South Africa	Number	2 089	2 059	2 201
Percentage of employees and contractors operating in South Africa	%	100.00	100.00	100.00
Management (top and senior) deemed HDSA	%	23.00	61.00	52.00
Management (top and senior) who are women	%	23.00	30.00	25.00
Employees who are deemed HDSA	%	82.38	72.00	81.00
Employees who are women	%	34.90	40.00	27.00
Employees who are permanent	%	100.00	86.50	99.90
Number of employees who are deemed disabled	Number	9	0	0
Employees who belong to a Trade Union	%	0.00	6.00	9.00
Employee Turnover	%	0.00	6.50	10.00
Person hours worked (PHW) - Reported	Number	2 506 707	4 411 868	4 014 624
Number of employees trained, including internal and external training interventions	Number	1 176	1 851	923
Percentage of employees trained in South Africa	%	100.00	100.00	100.00
Rand value of employee training expenditure	Number	7 780 593	12 574 583	7 155 437
Training expenditure in South Africa	%	100.00	100.00	100.00
Person days lost due to absenteeism	Number	1 004	2 888	1 265
Percentage of days lost due to absenteeism	%	0.211	0.524	0.252
Person days lost due to industrial action (i.e. strike action)	Number	0	0	0

HEALTH AND SAFETY	UNITS OF MEASURE	2021	2020	2019
Fatalities (i.e. injuries on duty leading to death - excluding the deaths of workers not occurring at work)	Number	0	1	0
First aid cases (i.e. injuries on duty leading to minor treatments, such as a plaster or a pain tablet)	Number	93	51	53
Medical treatment cases (MTCs, i.e. injuries on duty leading to medical treatment, but no lost days)	Number	34	11	18
Lost Time Injuries (LTIs, i.e. injuries on duty leading to at least one lost day)	Number	30	11	165
Recordable injuries, including MTCs, LTIs and Fatalities - Calculated	Number	64	22	184
Fatal Injury Frequency Rate (FIFR, i.e. number of Fatalities per 200 000 person hours worked) - Reported	Number	0.00	0.00	0.00
Fatal Injury Frequency Rate (FIFR, i.e. number of Fatalities per 200 000 person hours worked) - Calculated	Number	0.00	0.00	0.05
Lost Time Injury Frequency Rate (LTIFR, i.e. Number of LTIs per 200 000 person hours worked) - Reported	Number	4.00	0.50	8.22
Lost Time Injury Frequency Rate (LTIFR, i.e. Number of LTIs per 200 000 person hours worked) - Calculated	Number	1.58	0.50	8.22
Total Recordable Injury Frequency Rate (TRIFR) - Reported	Number	8.00	1.00	9.90
Total Recordable Injury Frequency Rate (TRIFR) - Calculated	Number	3.36	1.00	9.17
LTIFR and/or TRIFR target	Yes/No	No	No	No

CSI/SED EXPENDITURE	UNITS OF MEASURE	2021	2020	2019
Corporate Social Investment (CSI)/Socio-economic Development (SED) expenditures - Reported	R	30 739 563	17 468 000	10 276 950
CSI/SED expenditure as a percentage of total revenue generated	%	1.00	0.50	0.40
CSI expenditure as a percentage of net profit after tax (NPAT)	%	(9.80)	(0.95)	(0.70)
Total CSI/SED Expenditure in South Africa	%	100.00	100.00	100.00
Rand value of CSI/SED expenditure on arts, sports & culture	R	32 000	32 000	1 833 000
Rand value of CSI/SED expenditure on basic needs & social development, including nutrition and/or feeding programmes	R	823 383	62 000	543 000
Rand value of CSI/SED expenditure on education	R	3 874 841	2 552 000	1 359 000
Rand value of CSI/SED expenditure on health, including HIV/AIDS	R	1 539 515	0	0
Rand value of CSI/SED expenditure on infrastructure development	R	766 000	0	0
Rand value of CSI/SED expenditure on skills development, including adult basic education & training (ABET)	R	20 283 775	12 574 000	4 430 000
Rand Value of CSI/SED expenditure on small business development projects	R	891 690	652 000	1 040 000
Rand value of CSI/SED expenditure on other initiatives	R	1 850 360	918 000	0
Total rand value of CSI/SED expenditure - Calculated	R	24 794 671	16 790 000	9 205 000
Variance between Total CSI/SED expenditure reported - versus calculated - Rands	R	678 000	678 000	1 071 950
Variance between total CSI/SED expenditure reported - versus calculated - Percentage	%	2.70	3.90	10.40
Comprehensive discussion of returns on CSI	Yes/No	No	No	No
CSI/SED projects aligned to government's National Development Plan (NDP)	Yes/No	Yes	Yes	Yes
Rand value of enterprise development expenditure (i.e. support for small business)	R	12 841 551	1 635 000	6 109 000

The process of data gathering and coalition from the operations has been undergoing a process of continuous improvement, often resulting in more data thus higher volumes for indicators such as electricity and water consumption. As such, this minimises year on year comparability of impacted data.

ABOUT THIS REPORT

This report aims to clearly and concisely inform our stakeholders, including providers of financial capital, stakeholders and future shareholders of African Empowerment Investments Ltd's ("AEEI", "the Company" or "the Group") of our investment portfolio across the various divisions within AEEI, namely: fishing and brands, technology, events and tourism, health and beauty, biotherapeutics, associates and strategic investments.

The content of the sustainability report has 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 from Integrated Assurance & Reporting Services (IRAS)

Our report is informed by:

- Sustainability Data Transparency Index (SDTI)
- The Global Reporting Index (GRI), but not aligned to the GRI standards
- Sustainability Accounting Standards Board (SASB), but not aligned to its standards

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

We have prioritised the following three capitals with the SDG's that are relevant and aligned with our business strategy



REPORTING BOUNDARY AND SCOPE

As an investment holding company, this report covers all material sustainability matters for AEEI for the financial year ended 31 August 2021. It is important to note that ESG/sustainability performance data reporting within this document is for all companies (inclusive of subsidiaries) where AEEI is either the majority shareholder, or where management control falls within the responsibility of AEEI (or one of its subsidiaries). For all intents and purposes, performance data is collected, collated and reported at the level of the following entities: AEEI (Group), AEEI (Company), AfriNat (Pty) Ltd, AYO Technology Solutions Ltd, espAfrika (Pty) Ltd, Orleans Cosmetics (Pty) Ltd, Premier Fishing & Brands Ltd and Tripos Travel (Pty) Ltd.

The sustainability report is divided into the following sections in terms of our most material matters:

- Human capital
- COVID-19
- Training and development
- Human rights
- Our sustainability governance framework
- Material matters and key performance indicators
- Economic sustainability
- Environmental sustainability
- Transformation
- Social sustainability
- Corporate social investment (CSI)

This sustainability report is supplemented by our full suite of online publications, which caters to our stakeholder base's diverse needs. 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 2021 (King IV™)
- Notice of the annual general meeting

The above reports can be accessed on our website: www.aeei.co.za.

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, manage and report to the Board on sustainability matters.

The 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 "199 key" sustainability indicators was provided by Integrated Reporting & Assurance Services (IRAS). Their assurance statement is available on our website for download.

In accordance with the guidance provided by AccountAbility (www.accountability.org), independent third-party assurance (ITPA) to the level of Type 2 (Moderate) has been provided by Integrated Reporting & Assurance Services (IRAS). This includes a review of AccountAbility's AA1000 Assurance Principles Standard (APS), as well as a limited review of the reasonability of data supplied for 199 key sustainability indicators (where data has been provided). The assurance statement provided by IRAS is available on our website for download.

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. To define the principles and detail of our application and practices, download the full governance report/King IV™ register available online at <https://aeei.co.za/about-us/corporate-governance/king-iv-on-corporate-governance-report/>.

AWARDS AND ACHIEVEMENTS

For its disclosure for Environmental, Social and Governance Data in the Financial Services: Other section of the Sustainability Data Transparency Index (SDTI) reporting in South Africa, AEEI was recognised as being the best by Integrated Reporting & Assurance Services (IRAS) for its reporting in 2020. AEEI won first place in its sector and ranked third overall out of 266 JSE-listed entities with score of 89.71%. AEEI also won the award in 2015 and 2016 (Top in Sector) in IRAS's last series of awards.

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 Broad-Based Black Economic Empowerment (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



SUMMARISED GROUP STRUCTURE AT A GLANCE

 FISHING AND BRANDS	<p>Premier Fishing and Brands Ltd (Premier) was listed on the JSE in March 2017. Premier Fishing SA (Pty) Ltd (Premier Fishing), a Premier Fishing and Brands division, is the largest black-owned fishing company in South Africa and the only fishing company to have a black female chief executive officer at the helm.</p> <p>Premier and its subsidiaries hold medium to long-term fishing rights in west coast rock lobster, south coast rock lobster, small pelagics (anchovy and sardine), hake deep-sea trawl, longline hake and squid. In addition, Premier owns an abalone farm and invests in organic agricultural products through the Seagro range of products. 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 56.23% shareholding in Premier.</p>
 TECHNOLOGY	<p>AYO Technology Solutions Ltd (AYO), including its subsidiaries, is one of the South African market's largest B-BBEE information and communications technology (ICT) groups. They operate across various 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.</p> <p>They use an open innovation process to cross-pollinate novel solutions across industries and transform their clients' organisations and their respective economic sectors. AEEI has a 49.36% shareholding in AYO.</p>
 EVENTS & TOURISM	<p>This division consists of events management, travel solutions, and 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. Under their leadership, the Cape Town International Jazz Festival is positioned as "Africa's Grandest Gathering." AEEI holds 100% of the shares in espAfrika.</p> <p>Tripas Travel (Pty) Ltd (Tripas) has been in existence since 1970 and has two distinct operating divisions: Travel Management Services and Inbound Tours and Events. While they are specialists in corporate travel, they provide a service to corporate and leisure markets. AEEI has a 56% shareholding in Tripas.</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 40% shareholding in Magic.</p>
 HEALTH & 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, including a perfume range.</p> <p>AfriNat (Pty) Ltd (AfriNat) supplies a range of natural biostimulants, agricultural pre-harvest products, and a range of cleaning solutions under the brand ViBacSan® to the post-harvest industry and hygiene and sanitation sectors. These products are human, animal and plant safe, internationally recognised and certified as such. AEEI holds 100% of the shares in AfriNat.</p> <p>Orleans Cosmetics (Pty) Ltd (Orleans Cosmetics) is the exclusive Southern Africa 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 • Berdoues <p>AEEI holds 90% of the shares in Orleans Cosmetics.</p>
 BIOOTHERAPEUTICS	<p>Genius Biotherapeutics (Genius) focuses mainly on healthcare applications and, more specifically, on biopharmaceutical products (those derived from living genetically modified cells and are of a protein or carbohydrate nature).</p>
 STRATEGIC INVESTMENTS	<p>The Group holds minority stakes in British Telecommunications Services South Africa (Pty) Ltd and Sygnia Ltd.</p>

VISION

Our vision is to be a dynamic and innovative company that creates superior stakeholder value.

STRATEGY

With the impact of COVID-19, AEEI adapted its business strategy and key targets to meet the challenges of the pandemic.

PURPOSE		VISION	
We exist to empower previously disadvantaged individuals through job creation and maximising shareholder wealth generation through strategic investments		Our vision is to be a dynamic and innovative company that creates superior stakeholder value	
OUR STRATEGIC AMBITIONS			
Employer of choice	Sustainable business units	Maintain zero operational fatalities	Innovative and sustainable products and solutions
DELIVERING ON OUR STRATEGY			
Optimising our assets to sustain our business	Operating our asset base to its fullest potential	Growth of our businesses	
STRATEGIC FOCUS AREAS			
Unlock infrastructure to support the business over the short, medium and long-term term	Identifying and realising opportunities based on our Group's asset base	Remain competitive through a reduced cost base Use of technology to remain competitive Creative business development	
KEY ENABLERS			
Access to capital to enable support of the growth of our existing business and the ability to acquire more businesses	Leadership and culture - embedding a culture that fosters diversity, innovation, organisational effectiveness, employee health and safety	Committed employees who believe in the Company and its purpose	Stakeholders - engaging with key stakeholders for advice and support
		Product - quality and consistency	Efficient operational activities to meet customer demands

Our report covers the progress made during the 2021 financial year. In addition, it provides insight into the Group's strategy and targets for the short, medium and long-term.

SUSTAINABILITY



SUSTAINABILITY GOVERNANCE

The Board 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. 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 and producing solid financial results include managing the Company's environmental and social impact and addressing stakeholders' expectations, including regulators, investors, business partners and employees.

AEEI's business is built on a solid 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.

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

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 <https://aeei.co.za/investor-relations/integrated-reports-and-online-suite-of-reports/>.



OUR SUSTAINABILITY GOVERNANCE FRAMEWORK

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 and considers the top risks and monitors the progress of mitigating risks. Findings and recommendations are reported 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 Company remunerates responsibly, fairly and transparently. Reviews and approves the reward philosophy and strategy. 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 Company is and remains a committed, socially 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 Company'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 Company and ensure appropriate policies and procedures are in place. Ensures compliance with the amended B-BBEE Codes of Good Practice as revised from time to time. Managing and ensuring best environmental practices.
DAILY RESPONSIBILITY IS DELEGATED TO DIVISIONAL MANAGEMENT		

MATERIAL AREAS OF SUSTAINABILITY	
	Ensuring sound governance <ul style="list-style-type: none"> Through our sustainability governance practices Engaging our stakeholders Fostering ethical behaviour and good governance
	Developing people <ul style="list-style-type: none"> Workplace transformation and diversity Promoting from within the organisation Skills development Attracting and retaining talent
	Employee health and safety <ul style="list-style-type: none"> Promote and enabled 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 <ul style="list-style-type: none"> Financing and empowerment infrastructure Treating our clients fairly Promoting responsible investment
	Investing in a prosperous society <ul style="list-style-type: none"> Transformation and empowerment Responsible procurement and enterprise Corporate social investment
	Promoting environmental responsibility <ul style="list-style-type: none"> Managing our direct environmental impacts Climate change and energy efficiency Promoting sustainable water usage Materials and waste management

OUR APPROACH TO SUSTAINABILITY

The value of the sustainability reporting process is that it ensures that the 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 the Company, particularly non-financial in nature.

As a business, we have to make decisions that directly impact 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 based not only on financial information alone but also on assessing risks and opportunities using the information on a wide variety of immediate and future issues. Therefore, building and maintaining trust in South Africa's businesses and the government is fundamental to achieving a sustainable economy.

In addition to the careful stewardship of natural resources, the Group continually works towards sustainable development by contributing to eradicating 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 developing the intellectual and human capital 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 South Africans (HDSA). In addition, the Board has affirmed its practice regarding procurement by its subsidiaries from black economic empowerment companies, enterprise and supplier development, and socio-economic development (SED).

The Group's carbon emissions impact the environment, and 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 has policies 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. Additionally, 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 their operations' impact on the environment. Environmental commitments are an integral part of their day-to-day activities.

The Group's material matters and how we manage them can be found on pages 18, 32, and 48.

 Principles 3, 4, 10, 11, 13, 14, 15 and 16)

OUR APPROACH TO MATERIALITY

AEEI's approach to materiality determination is informed by The International Integrated Reporting <IR> 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 our audit and risk committee's function. Our 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 and 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 potentially raising new issues that the Group may not have sufficiently discussed within our reporting. Refer to pages 32 to 38 of the Integrated Report for detailed information.

OUR MOST MATERIAL MATTERS

Our primary source of information for this report was guided by internal and external stakeholder engagement resulting in the determination process for this report.

As detailed on page 7, further information can be found throughout the report.



HUMAN CAPITAL



INTRODUCTION

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. As a result, we engaged with all employees through various regular and ongoing collective and individual interface initiatives.

Our employees remain central to everything we do and are vital to our ambition to deliver an excellent stakeholder experience and sustainable, profitable revenue growth. They play a pivotal role in the Group's drive to achieve its strategic objectives. We allow our employees to develop their skills and abilities through various skills programmes and benefit from being part of a progressive and dynamic organisation.

COVID-19 AND OUR EMPLOYEES

At the start of the COVID-19 pandemic, we acted quickly to ensure the health and welfare of our employees while managing potential risks and challenges. For the full report refer to the Health and Safety section of this report on pages 28 to 30.

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 2021

We track our progress according to our capitals defined by the International Integrated Reporting Council's Integrated Reporting <IR> Framework as the resources and relationships used and affected by an organisation.

The section on the following page details the progress made in creating value, the relevant key performance indicators, our 2021 progress, the risks related to the material matters and the associated opportunities.



MATERIAL MATTERS	KEY PERFORMANCE INDICATOR
<ul style="list-style-type: none"> • COVID-19 and the impact on our employees • Employee health and safety • Employee job security • Employee recruitment and retention of critical skills • Training and development of employees • Remuneration and employee recognition • Employee job satisfaction and diversity • Training and development of employees • Diversity and cultural transformation • Employee productivity, efficiency and costs • Management retention and succession plans • Protection of personal information 	<ul style="list-style-type: none"> • Monitoring the impact of COVID-19 on our employees • Ensured employees work in a healthy and safe environment • Monitor employee job security as a result of the volatile economic climate • Track employee attrition for the retention of critical skills • Encourage, review and track training and development of employees to develop critical skills to drive business performance through external training institutions • Ensure that employees are remunerated fairly and responsibly and are provided recognition for their performance • Imbed and monitored diversity and cultural transformation across all levels with all recruits • Ensure the delivery of our strategic objectives by driving a high-performance culture, productivity, efficiency and monitoring costs • Monitor employee job satisfaction, productivity, efficiency and costs • Reviewed and monitored to ensure that retention and succession plans for management are in place • Ensured that employees personal information is protected at all times
2021 PROGRESS	WHAT ARE THE RISKS RELATED TO OUR MATERIAL MATTERS?
<ul style="list-style-type: none"> • Promoted and enabled a healthy and safe environment for our employees in response to the COVID-19 pandemic • Emphasised our employee value proposition • Remote working provided better work performance and less stress and anxiety for employees • Invested R7 780 593 in training and development • Continued to promote a working environment that allows employees to deliver high performance • Delivered on our 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 • Identified employee development • Transformation and equity employment plans rolled out • Training of employees on the Protection of Personal Information Act, 2013 	<ul style="list-style-type: none"> • Employee mental health during the COVID-19 lockdown • The impact of the COVID-19 pandemic in terms of further job creation • Loss of critical skills due to the impact of the COVID-19 pandemic • 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?

- Workplace wellness programmes that emphasise employee well-being, in and out of the office
- Employee health and safety, including mental health
- Remote working conditions creates better productivity
- Employee development – bursaries and learnerships
- Increase capabilities of junior management
- Increase capabilities of middle management
- Identify and offer internships and learnerships in identified disciplines
- Leadership development programmes
- Creating an entrepreneurial culture


TALENT MANAGEMENT
WORKFORCE TRENDS

During the past year, many organisations had to review their business models, business plans and priorities as they continued to navigate the COVID-19 environment, which has been the most challenging and volatile in modern history. The disruption will continue for the next few years and the implications remain unknown.

During the last year, the Group has had to continue navigating and responding to remote working, determining how to support employees' well-being, managing a hybrid workforce and concerns around the COVID-19 vaccine. The Group, like any other business, has had unprecedented challenges to shape its businesses during this past year. These include:

- Increased visibility into employees' personal lives to assist with their well-being and performance at a higher level by providing mental and financial health support .
- Employees prefer to work for companies whose values align with their own.
- The gender-wage gap will continue to increase as employees return to the office. Surveys have indicated that men are more likely to return to the office in the hybrid environment while women are more likely to continue to work from home. This should not impact rewarding male employees at the expense of female employees. Instead, it will worsen the gender wage gap when the pandemic has already had a disproportionate impact on women.
- Mental health support is the new normal with employers being more aware of the impact of mental health on employees.
- Reskilling the capabilities of the current workforce to meet the changing needs of the organisation.

THE FUTURE OF WORK TRENDS POST-COVID-19 PANDEMIC

Many companies will have to rethink their workforce and employee management, training, performance and strategies, and their operations and strategic goals. Employees will likely work "at home" at least part of the time after the COVID-19 pandemic. As companies shift to more remote work operations, they need to explore the critical competencies employees will need to collaborate digitally and adjust employee experience strategies. The economic uncertainty of the COVID-19 pandemic has caused many workers to lose their jobs and exposed others for the first time to nonstandard work models.

Many companies responded to the COVID-19 pandemic's economic impact by reducing their contractor budgets. However, there has since been a new focus with companies expanding their use of contingent workers to maintain more flexibility in their workforce post the COVID-19 pandemic and will consider introducing other job models , such as talent sharing. Employers will continue to play an expanded role in their employees' physical, mental and financial well-being. These could include adjusted working hours, childcare provisions and financial assistance.

Before the advent of the COVID-19 pandemic, critical roles were viewed as critical skills or the capabilities an organisation needed to meet its strategic goals. However, employers now realise that there is another category of critical roles – roles that are critical to the success of essential workflows.

Prior to the COVID-19 pandemic, organisations were already facing increased employee demands for transparency. Employees and prospective candidates will judge companies by how they treated employees during the COVID-19 pandemic. Organisations need to balance today's decisions to resolve immediate concerns during the COVID-19 pandemic with the long-term impact on the employment brand. They will need to transition from designing for efficiency to designing for resilience by designing roles and structures around outcomes to increase agility and flexibility and formalise how processes can flex. They would need to provide employees with varied, adaptive, and flexible roles to acquire cross-functional knowledge and training.

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. We strive to create an inclusive talent pool that taps into the potential across race, gender, sexual orientation, and demographics throughout our businesses. We have intensified our efforts to entrench diversity and inclusiveness in our business units through training, mentorship and recruitment programmes.

TRAINING AND DEVELOPMENT

Our training and development programmes were affected by the COVID-19 pandemic reducing our spend for the year. However, some training and development initiatives took place including online training.

During the year, 1 176 employees (including internships and learnerships) were trained (2020: 2 218), and a total of R7 780 593 (2020: R12 574 583) was spent on training. Some of the initiatives include:

- Business Administration Services
- Introduction into Risk Management
- Live Stream Fundamentals
- Comprehensive Overview of JSE Listing Requirements
- Basic bookkeeping
- Introduction to microbiology
- Food technology
- BioAg World Congress event training
- Marketing management
- Annual tax update
- Electrical: ARPL 6
- Electrical trade training
- Certified Scrum Pro
- CSM & CSPO Bundle
- Board course and examination
- Information Technology
- MS Office courses
- Mentoring and coaching sessions
- Advanced report writing
- POPIA for Secretaries
- Tax Seminars
- Health & Safety training
- Governance training
- Protection of Personal Information Act, 2013 compliance training
- Diploma in accounting
- Numeracy and literacy
- Skills training interventions

WHAT WE WANT TO ACHIEVE	
Provide further training and development opportunities to enhance skill sets	
OUR FOCUS	OUR APPROACH
<p>As part of our vision, some of our high-level strategic focus areas include:</p> <ul style="list-style-type: none"> • 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. • 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. 	<ul style="list-style-type: none"> • 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. • Encourage employees to utilise the bursary • Ensuring that jobs are available for learners after completion of learnership programmes. • Conduct performance reviews.
LOOKING AHEAD	
<ul style="list-style-type: none"> • Identify career development opportunities and skills training interventions. • Review succession plans. • Nurture future talent. • Maintain regulatory compliance. 	

Refer to pages 26 and 27 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. A skills audit and training needs analysis, including performance reviews, is used to fast track the process to secure and retain future talent. Continual investment in skills retention allows for the focused development of identified employees. In addition, the Group has an active policy to encourage individuals wishing to study further.

Some of the challenges faced are:

- COVID-19 pandemic on training initiatives
- 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 potential candidates for the future. However, the focus also remains on the retention of critical skills in the Group.

WHAT WE WANT TO ACHIEVE	
Our human strategy focuses on strengthening the capability and integrity our employees bring to their roles, which contributes to the success of the business and maximises stakeholder value.	
OUR FOCUS	OUR APPROACH
<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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.
LOOKING AHEAD	
<ul style="list-style-type: none"> • Develop effective and integrated talent mechanisms to identify internal and attract external talent. • Attract and develop skilled young talent with diverse backgrounds and industry knowledge. • Develop new and innovative ways to strengthen the mindset within the Group to ensure delivery of our strategic objectives. • Continue with technology platforms and systems that support the implementation of our strategy – this will improve communication, collaboration, knowledge sharing, promote diversity, and provide employee feedback. • Develop opportunities to expand our junior leadership. • Implement innovative approaches to learning skills – self-guided online training, coaching and virtual training. • Identify training to upskill employees for junior management positions. • Identify training for middle and senior management. • Identify candidates for learnerships. • Continue to create a culture of inclusivity 	

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 55 of 1998.

Bursaries were awarded to children of employees and other candidates based on their matric or tertiary results, also considering their economic situation. During the year under review, training, learnerships and bursaries were awarded to deserving candidates in the Group (including internships and learnerships).

INTERNS AND GRADUATE INTERNS

The Group continued to offer workplace exposure to interns and graduate interns. As a result, many of these interns have become permanent employees.

HUMAN RIGHTS

The Group adhered to all labour legislation in South Africa, including the Constitution of the Republic of South Africa, Labour Relations Act 66 of 1995, 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. It 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.

WHAT WE WANT TO ACHIEVE	
Basic human rights and freedoms to every person Freedom of association and collective bargaining	
OUR FOCUS	OUR APPROACH
<p>The Group decree is that:</p> <ul style="list-style-type: none"> • employees are educated on human rights • no child labour is permitted • no forced and compulsory labour is permitted; and • there is zero tolerance towards human rights abuses, fraud, corruption and related activities as stated in our The Way We Work Policy 	<ul style="list-style-type: none"> • We engage with and expect our suppliers, partners and customers to uphold our standards and contribute positively towards enforcing human rights.
LOOKING AHEAD	
<ul style="list-style-type: none"> • Ensuring that there are no human rights infringements • Ensure that no child labour takes place • Ensure that there is no forced or compulsory labour • Ensure safe and healthy working environments 	

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. In addition, 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.

WHAT WE WANT TO ACHIEVE	
Protect everyone in their working environment and promote economic development, fair labour practices, peace, democracy and social development.	
OUR FOCUS	OUR APPROACH
<ul style="list-style-type: none"> Maintain good relations with the labour unions to ensure that there are no tensions nor the threat of industrial action. 	<ul style="list-style-type: none"> Maintain strong relationships with labour unions. Review operational labour plans regularly to ensure continuity of service to clients.
LOOKING AHEAD	
<ul style="list-style-type: none"> Maintain strong relationships with various trade unions. Maintain compliance with the Labour Relations Act 	

EMPLOYMENT EQUITY AND TRANSFORMATION

As part of our 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 successfully provided equal employment opportunities and promoted 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. In addition, open dialogue is encouraged between employees and management through our information sessions and committees.

In terms of section 22 of the Employment Equity Act, a detailed report of the Group's 2021 Employment Equity, as required by section 21 of the Act can be found on page 27.

GENDER AND RACE DIVERSITY

Gender and race diversity is one of the Group's key performance areas. 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 we operate in. We have Board-approved gender and race diversity and broader diversity policies in place. The companies in the Group remain aware of complying with the requirements of the policies for any new recruitments.

WHAT WE WANT TO ACHIEVE

Further promote gender and race diversity throughout the Group

OUR FOCUS	OUR APPROACH
<ul style="list-style-type: none"> 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 to support and supplement the internal talent pool. 	<ul style="list-style-type: none"> 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 contribute to our relevance in specific markets. Our employment equity targets go beyond compliance.

LOOKING AHEAD

- Our objective is to grow black representation and black women representation at junior and senior management level.
- Accelerate diversity across the Group

As at 31 August 2021, the headcount in the Group reflected 2 089 (2020: 2 059) employees. There was a slight decrease in the overall permanent employee headcount as a result of retrenchments in some divisions during the year and an increase in the contract workers.

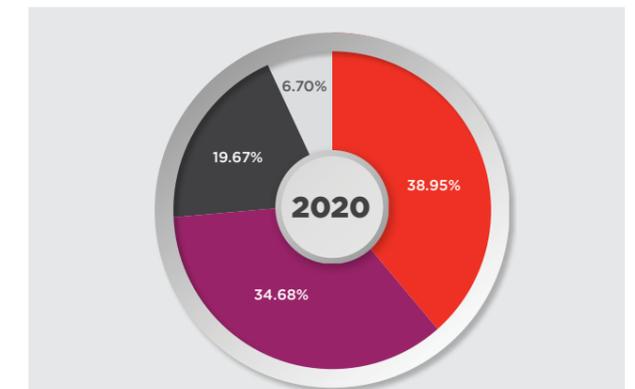
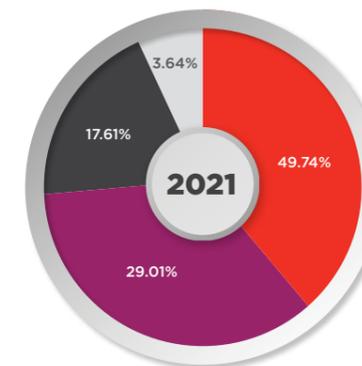


EMPLOYEE DIVERSITY AND PEOPLE WITH DISABILITIES

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.

WHAT WE WANT TO ACHIEVE	
Diversity at all levels in the Group, up to and including leadership and employing more people with disabilities	
OUR FOCUS	OUR APPROACH
<ul style="list-style-type: none"> Address the ongoing challenge to our transformation efforts with 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 dramatically impact our employment equity statistics. Address the shortage of specific skills in various business units. Continue to improve our recruitment process to accommodate people with disabilities 	<ul style="list-style-type: none"> 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. Continue to employ people with disabilities.
LOOKING AHEAD	
<ul style="list-style-type: none"> Entrench our transformation plans. Address specific skills shortages. Employ more people with disabilities. 	

CATEGORY	DESIGNATED GROUPS				DESIGNATED GROUPS				NON-DESIGNATED GROUPS FOREIGN NATIONALS		
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	MALE	FEMALE	TOTAL
AEEI executive Board members	0	1	0	0	1	0	0	0	0	0	2
Board executives (excluding AEEI Board members)	6	7	5	11	2	2	3	0	0	0	37
Senior management	15	17	7	47	11	8	3	9	1	1	119
Middle management	31	41	18	72	18	21	2	43	2	0	248
Skilled upper	113	129	20	68	113	71	8	55	5	5	587
Semi-skilled	50	67	3	8	46	19	3	11	1	4	212
Labour/unskilled	92	90	0	6	45	32	0	1	15	0	281
Seasonal	0	0	0	0	0	0	0	0	0	0	0
Contract workers (including interns and fixed-term contracts)	328	86	1	3	171	17	3	1	0	0	609
Total	632	436	54	214	407	170	22	120	24	10	2 089



2021	NUMBER	%	2020	NUMBER	%
African	1 039	49.74	African	802	38.95
Coloured	606	29.01	Coloured	714	34.68
Indian	76	3.64	Indian	138	6.70
White	368	17.61	White	405	19.67
TOTAL	2 089	100.00	TOTAL	2 059	100
Total females	729	34.90	Total females	840	40.80
Total males	1 360	65.10	Total males	1 219	59.20
TOTAL	2 089	100.00	TOTAL	2 059	100.00

HEALTH AND SAFETY

The health and safety of all our employees within our Group remains of paramount importance, especially during the ongoing COVID-19 pandemic. The Group continued to apply health and safety regulations in its quest for an accident-free working environment. During the year, our health and safety representatives undertook further 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.

In addition, an active "Social, Ethics and Transformation Committee Monitoring Indicators and Workplan" is in place, which is monitored by the executive team covering health and safety and the environment. The executive team monitors best practices in terms of detailed monitoring indicators, prevailing laws and regulations. They present a description of their findings and recommendations to the social, ethics and transformation committee at the biannual meeting, which includes:

- reviewing internal policies and procedures
- reviewing safety manuals
- reviewing the health and safety plan
- reviewing the emergency preparedness plan and procedures for potential disasters for the building
- engages with health and safety representatives and employees
- ensuring that the Company does routine monitoring of its machinery and ensures that they are safe and in working order through the health and safety officer
- checks if employees and managers are trained to respond to workplace emergencies, and that first aid kits are readily available
- ensures that the health and safety representatives routinely check fire extinguishers and fire escapes
- ensures that portable water facilities, adequate lighting, ventilation, and temperature are suitable and steady in the workplace
- provides safety gear where applicable taking into account gender differences and the special needs of pregnant women
- ensures that the Company provides clean and sanitary facilities appropriate to both genders

OVERALL GROUP STATISTICS

	2021
AEEI Group	
• Lost time injury frequency rate (per 200 000 person hours worked)	0.00
• Number of first aid cases (minor treatments i.e. plasters or pain tablet)	93
• Number of medical treatment cases (injuries on duty leading to medical treatment but no days lost)	33
AYO Group	
• Lost time injury frequency rate (per 200 000 person hours worked)	3.91
• Number of first aid cases (minor treatments i.e. plasters or pain tablet)	90
• Number of medical treatment cases (injuries on duty leading to medical treatment but no days lost)	32
Premier Fishing and Brands Group	
• Lost time injury frequency rate (per 200 000 person hours worked)	0
• Number of first aid cases (minor treatments i.e. plasters or pain tablet)	1
• Number of medical treatment cases (injuries on duty leading to medical treatment but no days lost)	2

COVID-19 AND OUR EMPLOYEES

At the start of the COVID-19 pandemic, we acted quickly to ensure the health and welfare of our employees while managing potential risks and challenges.

COVID-19 AND OUR EMPLOYEES	
The health and wellness of our employees are of extreme importance to the Group.	
OUR FOCUS	OUR APPROACH
<ul style="list-style-type: none"> • Measures have been put in place to secure the well-being of all employees and their families • Protocols and policies were put in place to align with requirements of Section 8 (1) of the Occupational Health and Safety Act, No. 85 of 1993 • Assist our employees with work-related and personal challenges during the COVID-19 pandemic • Assist our employees with mental health and awareness during the COVID-19 pandemic • Assisted our employees with a wellness programme • Daily on-site screening • Transportation arrangements are in place for the most vulnerable employees • As a result of COVID-19, some employees tested positive and had to self-quarantine. Unfortunately, we had some deaths as a result of COVID-19 and wish to extend our heartfelt condolences to the families and our colleagues • Online learning has been encouraged, with many employees taking the opportunity to further their skills capabilities 	<p>We continued to adhere to all protocols put in place at the start of the COVID-19 pandemic.</p> <ul style="list-style-type: none"> • As COVID-19 has brought about high levels of stress and anxiety to everyone, the Group has made support available: <ul style="list-style-type: none"> - A 7-day Mental Health Survival online course was made available to all employees, including dealing with stress, anxiety, daily routines, depression, isolation, coping mechanisms, lifestyle adaptation, fitness, incorporating physical well-being etc. ;and - COVID-19 employee assistance screening service provided to all employees, including medical attention. • We continue to assist and accommodate our employees to ensure wellness both in the workplace and at home. • Access to health and wellness information. • The following services are available and accessible to employees to access: <ul style="list-style-type: none"> - A health Line for COVID-19 support; - Financial support; - Counselling services for individuals and families in lockdown; - Advisory services on healthy coping mechanisms, daily behaviours and planning; and - Managerial advice for oversight and keeping contact during the lockdown. • Remote working for nearly all employees remains in place. • Some of our businesses are regarded as essential services providers, and protocols have been established to ensure their safety. Teams are split and work rotational shifts. • Due to technology, all meetings are conducted remotely. • Personal protective equipment (PPE) continues to be made available to all employees with an increased focus on sanitation and health practices. • Offices are sanitised regularly. • Social distancing remains a priority to contain the spread of the COVID-19 virus. • We embraced technology a lot more in the way we work as remote working enables us to continue operating in the reality of continued lockdowns and keeping our employees safe. • We improved communication within the organisation to ensure that information is available in real-time as far as possible, enabling the identification of potential risks before they arise, which is vital in this dynamic COVID-19 environment.

COVID-19 AND RESPONSE STRATEGY

COVID-19 PLAN	<p>It was imperative to have a best practice return to work procedure in place, including training for the safe return of all employees during the various levels of lockdown.</p> <ul style="list-style-type: none"> • Training to all employees. • A continued phased approach to the resumption of work in the office during the various levels of lockdown. • Personal protective equipment made available to all employees. • We continuously monitor and ensure adherence to all protocols.
RETURN TO WORK PROCEDURE	<p>As the COVID-19 pandemic continues, it was imperative to have a best practice return to work procedure in place, including training for the safe return of all employees during the various levels of lockdown, which includes:</p> <ul style="list-style-type: none"> • Training of all employees; • A continued phased approach to the resumption of work in the office during the various levels of lockdown; • PPE made available to all employees; and • We continuously monitor and ensure that all protocols are adhered to.
COVID-19 RECOVERY PLAN	<ul style="list-style-type: none"> • Management continues to reflect on the changes that COVID-19 has brought daily, and our recovery plan is a work in progress. • We continue to realign our operating strategies to the constantly changing environment. • Our method is to streamline operations and ensure survival in this volatile environment so that our businesses have the chance to continue operating in the future. • We know that stability will come; it's just a matter of when it will happen.

During this period, we have had to restructure some business units. Unfortunately, employees took a salary reduction with some employees being deployed in other areas in the Group and retrenched as a last resort.

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 critical to ensure that we meet our strategic objectives.

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

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 committee report and outcomes in the integrated report on pages 72 to 79 and the section on material issues – human capital on page 16.

SOCIAL AND RELATIONSHIP CAPITAL



INTRODUCTION

For AEEI, social sustainability and corporate citizenship go 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 in managing our impact on the communities around us and actively contribute to their socio-economic development through various initiatives.

The Group is aware of the critical role of a business in uplifting and developing the previously disadvantaged majority. We recognise that the COVID-19 pandemic significantly impacts our employees, their families, and the local communities living around our operations. Accordingly, we have taken a responsive approach to assist.

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

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 the 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 2021

The section below details the progress made in creating value, the relevant key performance indicators, our 2021 progress, the risks related to the material matters and the associated opportunities. We tracked our progress according to our capitals defined by the International Integrated Reporting Council's Integrated Reporting <IR> Framework as the resources and relationships used and affected by an organisation.

SOCIAL AND RELATIONSHIP CAPITAL

MATERIAL MATTERS	KEY PERFORMANCE INDICATOR
<ul style="list-style-type: none"> Compliance with laws and regulations Ethical and transparent leadership Corporate governance practices Social community and economic development Transformation and diversity B-BBEE Collaborative stakeholder engagement Corporate social investment (CSI) Support independent SMMEs 	<ul style="list-style-type: none"> Ensure compliance with laws and regulations by adhering to ethical standards and preventing corruption Ensured an ethical and transparent leadership team Monitored and ensured that corporate governance practices are adhered through policies and procedures that are in place Drive diversity and transformation throughout the Group to meet targets Drive the CSI strategy across the Group through social, community and economic development Paying our taxes and royalties to the government Meeting our B-BBEE targets in the Group Support local business and promote social and economic development through positive stakeholder engagement Provide employment opportunities and skills development for community members in which the Group operates Training and development through our internship programme Support independent SMMEs through financial and infrastructure support

2021 PROGRESS	WHAT ARE THE RISKS RELATED TO OUR MATERIAL MATTERS?
<ul style="list-style-type: none"> We ensured consistent and effective engagement with investors and stakeholders to align shareholder expectations with our strategy and targets We ensured that we operated ethically and have transparent leadership We continued to drive diversity and transformation in our businesses We continued to stimulate growth and partnerships with SMMEs We contributed to enterprise development We contributed to supplier development We contributed to socio-economic development We 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 We focused on improving educational outcomes in the Western Cape and the Overberg region through training and development and investment in our youth We continued to support an early childhood development (ECD) facility in an impoverished community by ensuring the beneficiaries receive three nutritional meals a day We continued to pay the salaries for the ECD teachers in an impoverished community We ensured a closer working relationship with regulators We fostered positive employee and union relationships We supported local businesses and promoted social and economic development We supported SMMEs with interest free loans We provided employment opportunities, learnerships and skills development We continued to create awareness of the Code of Ethics and Code of Conduct, including the whistle-blowing facility We 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 the government We maintained constructive relationships with our partners, business peers and sector organisations We provided internship and mentorship programmes 	<ul style="list-style-type: none"> Compliance with regulatory and legislative requirements requires the Group to keep abreast of changes, failing which we could incur reputational damage resulting in fines and loss of goodwill within society at large Adverse reputation Industry regulations can impact the business performance Investor and stakeholder confidence could impact our businesses negatively should we fail to uphold our responsibilities in our social relationships
WHAT ARE THE OPPORTUNITIES CREATED BY THE MATERIAL MATTERS?	
<ul style="list-style-type: none"> 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 the 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 by investing time, knowledge and capital to assist SMMEs in establishing, expanding or improving their businesses and empowering modest income-generating informal activities to grow and contribute to the local economy.

The Group's current enterprise development initiatives assist 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, therefore, expect our enterprise development clients and suppliers to meet the same high standards in ethics, labour rights, health and safety, and the environment. In addition, 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 shared 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. In addition, our business units continue to engage with their principals to identify local manufacturing opportunities and 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.

Supplier workshops initiated a few years ago continue 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 is considered under the terms of transformation and black economic empowerment.

SOCIO-ECONOMIC DEVELOPMENT

The corporate social investment programmes, 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 Group. We have selected focus areas that impact 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.

By developing entrepreneurs and supporting SMMEs and small businesses in the communities in which the Group operates, we 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, contributing to economic development and transformation.

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.

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

- ECD facility:
 - daily nutritional meals; and
 - paying of 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;
- providing 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 for small scale fishers;
- assisting with start-up costs for new business ventures;
- 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 to grow community-based services.

The Group spent R30 739 563 on socio-economic development/corporate social investment initiatives in 2021.

Our vision includes various initiatives. 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
- 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 administrative support and services, including infrastructure
- Assisting with start-up costs for new business ventures

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 impact 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>	 <p>EDUCATION</p>	 <p>SPORTS DEVELOPMENT</p>
<ul style="list-style-type: none"> • Cape Town International Jazz Festival JazzFix • African Musicians Trust 	<ul style="list-style-type: none"> • Be The Difference Foundation • Premier Fishing Bursary Trust • Premier Fishing Learnership Programme • Educational programmes in the Group • Where Rainbows Meet – Training and Development Foundation • Learnership programme • Internship programme • RADIOPROS – Basic radio skills 	<ul style="list-style-type: none"> • Saldanha Bay Rugby Club • Gansbaai and Hawston Primary Schools
 <p>ENTERPRISE DEVELOPMENT</p>	 <p>SOCIAL DEVELOPMENT</p>	 <p>OTHER</p>
<ul style="list-style-type: none"> • Funding for businesses • Anela Agri Enterprise Development • Engeli Enterprise Development • Sekunjalo Entrepreneurship Foundation 	<ul style="list-style-type: none"> • Breast Health – CANSA Mobile Clinics & ManVan • The Falaah Foundation – Mandela Day Sanitary Drive • AEEI/Health System • Technology's Annual Golf Day • Somerset Hospital • "Voorskoot" • Sekunjalo Development Foundation • Gift Of The Givers – UCT - Table Mountain Fire 	<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 their CSI programmes in focused areas, with an emphasis on social and enterprise development.

THE GROUP PARTICIPATED IN THE FOLLOWING DURING THE YEAR:

ARTS AND CULTURE

CAPE TOWN INTERNATIONAL FESTIVAL JAZZFIX

The Cape Town International Jazz Festival is world-renowned as Africa's Grandest Gathering. Unfortunately, due to the number of people allowed to attend gatherings under COVID-19 restrictions, the annual festival was cancelled in 2021.



During the year under review, the espAfrika team launched the first of its kind for Africa's Grandest Gathering, an online series, JazzFix, featuring some of South Africa's favourite musicians performed straight to viewers living rooms. The show encouraged fans of the festival and those who missed out to relive the incredible power of jazz through the online cinematic experience. The JazzFix online series, hosted by Unathi featured shows from the Cape Town International Jazz Festival Archives. Viewers enjoyed exclusively recorded performances from their favourite Cape Town International Festival artists, with conversations and discussions between the artists and Unathi.



AFRICAN MUSICIANS TRUST

The Company continued to provide financial support for the African Musicians Trust. The trust's 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 medical aid and a provident fund for musicians to live with dignity in their later years.

EDUCATION

BE THE DIFFERENCE FOUNDATION

Be The Difference Foundation (BTDF) aims to be a proactive difference within their communities that enables positive change in youth development. The Company provided financial assistance to the organisation during the year as they strive to:

- Provide a healthy meal to children and create a sense of hope for the future. The programme includes an active educational session with boys and girls aimed at empowering youth;
- Utilise sport as a catalyst for change and create a platform for youth within their community to showcase their talents and encourage them to become better players and great leaders; and
- Utilise their education programme as a strategic focus on prevention by providing support in the form of stationery and school clothing to mitigate poor school attendance due to financial constraints.



PREMIER FISHING BURSARY TRUST

This bursary trust offers employees the opportunity to enhance their skills and pursue a degree in higher education through colleges and universities. The trust also assists employees in educating 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.

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. This learnership also covers monthly stipends and has assisted more than 250 employees to date.

EDUCATIONAL PROGRAMMES IN THE GROUP

Subsidiaries in the Group have invested in various education projects through collaboration with various institutions:

- *The SAME Foundation* - A subsidiary created resources, including a state-of-the-art science laboratory and computer classroom at Kulani Secondary School in the Western Cape. They installed 43 computers, furniture, network, printers and software at the centre to empower and inspire interest in STEM subjects among the 1 600 learners at the school.
- *Human Nature Community Project* - Provided much-needed PPE for many children to return to school during the COVID-19 pandemic.
- *Malcom X* - A subsidiary donated over 500 infrared thermometers and more than 30 000 face masks to 15 public schools in the East London area. They aimed to create a safe, uninterrupted learning experience at the height of the COVID-19 pandemic when pupils were preparing for their first term exams.
- *Quadpara Association of South Africa (QASA) Work Readiness Programme* - Empowering the youth - A subsidiary partnered with QASA and furnished the association with a new learning centre in KwaZulu-Natal to implement their Work Readiness Programme. The centre has already seen the "graduation" of 57 black quadriplegic and paraplegic youths aged 18-35, with 50 of them already placed in permanent employment and one starting his own business.
- *Masinyusane Development Organisation* - A subsidiary partnered with the Masinyusane Development programme by empowering a community to improve the education of its own children by addressing two crucial factors in the upliftment of the community - education and job creation. They hired and trained 46 unemployed youth to run individual learning sessions with primary school pupils providing them with much-needed personal attention and support. In addition, significant investments were made into the infrastructure of multiple primary schools in the Eastern Cape, including a new Literacy Centre at Fumisukoma Primary School, renovated libraries at Sinuka and Seyisi Primary Schools and a pilot Literacy Centre at Isaac Booi Primary School. This included an array of extra-curricular programmes that provided children with opportunities to discover and develop talents outside the classroom.
- Financial contributions to various schools and individuals in the impoverished communities in which they work.





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.

AEEI built an ECD classroom in 2019 and ensured that these young learners are provided with the best foundation phase education. With monthly contributions from the Company, they provide nutritious meals to the foundation phase learners, including supporting their basic- day-to-day needs. Financial support is also provided for qualified ECD teachers' salaries monthly.



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.

RADIOPROS - BASIC RADIO SKILLS

The Company financially supported RADIOPROS with their skills development and training in broadcasting and radio. The training was targeted specifically for women by creating opportunities for females from disadvantaged backgrounds to participate in the broadcasting industry.



SPORTS DEVELOPMENT

SALDANHA BAY RUGBY CLUB

The Saldanha Bay Rugby Club, situated in the heart of the West Coast, is open to all community members. The club has a strong focus on sports development for the youth. The SDF continues with the sponsorship of their rugby teams.

GANSBAAI AND HAWSTON PRIMARY SCHOOLS

The Gansbaai and Hawston Primary Schools, situated in the Overberg region, were assisted with the sponsorship of their sports teams. This resulted in the students being able to 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. In addition, ongoing assistance and infrastructure are 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 risk. 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, AEEI and the end beneficiary signed an enterprise development agreement for five years. 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 with extensive experience, both locally and abroad. The team consists of skilled and experienced engineers, technologists, business support specialists, lawyers and accountants. It provides B-BBEE business solutions, including 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.



SEKUNJALO ENTREPRENEURSHIP FOUNDATION

The Company provided financial assistance to the Sekunjalo Entrepreneurship Foundation. The foundation is committed to developing social entrepreneurs and entrepreneurial initiatives and developed a fund to support initiatives through donations, loans, equity investment, joint venture partnerships, education, guidance, and guidance consultancy, management, and other forms of service.

SOCIAL DEVELOPMENT

BREAST HEALTH - CANSA MOBILE CLINICS & MANVAN

The Company provided financial assistance to CANSA Mobile Clinics, which travels to remote areas throughout South Africa to reach women and men who would otherwise not have access to screening. Through their mobile clinics, they offer the following:

- Clinical Breast Examinations and how to do self-breast examinations;
- Training on how to do testicular self-examinations to reduce the risk of testicular cancer;
- Prostate-Specific Antigen (PSA) - A finger-prick blood test or full blood test to help detect prostate abnormalities;
- Pap smears - A screening test for early diagnosis of cervical cancer;
- Lifestyle risk assessments to assess cancer risks;
- Blood pressure and glucose testing;
- Height and weight measurement for Body Mass Index to advise on maintaining a healthy weight; and
- Information on the cancer warning signs for adults and children.



THE FALAAH FOUNDATION - MANDELA DAY SANITARY DRIVE

The Company financially supported the Falaah Foundation with their Mandela Day initiative. The foundation is a non-profit organisation, with the aim of feeding impoverished communities and is also involved in other community initiatives.

The Foundation set a target of 1 000 sanitary packs for their Mandela Day initiative. However, they exceeded their target and distributed 1 580 sanitary packs of pads by ultimately providing comfort to 530 women for three months. Beneficiaries of the Mandela Day initiative included: the Haven Night Shelters (Wynberg and Lansdowne), Saartjie Baartman Centre, Habibia Girls Home, St George's Girls Home, Vision Orphanage and St Anne's Home.



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 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.

SOMERSET HOSPITAL

Somerset Hospital is one of the oldest hospitals in Cape Town having opened its doors in 1864 and is declared a heritage site. A subsidiary provided financial support for the upgrade of Somerset Hospital's medical facilities.

"VOORSKOT"

A subsidiary provided an advance of working capital to previously disadvantaged fishermen in the local and surrounding fishing communities in which they operate.

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 essential 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 that 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 and 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 the holistic, values-based development of socially conscious citizens.



GIFT OF THE GIVERS - UCT - TABLE MOUNTAIN FIRE

Gift of the Givers, Africa's largest disaster response non-governmental organisation, provided ground assistance to the University of Cape Town (UCT) and students following the devastation caused by the fires that began on 19 April 2021. The organisation became involved once the university had evacuated students from residences near its main campus.

The Company provided financial assistance to Gift of the Givers to help to feed 4 000 students that the fire had displaced.

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 contribute 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% EXPENDITURE VS WEALTH CREATED

CSI	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 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 DEVELOPEMENT	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 the 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

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.

	2021 R'000	2020 R'000	2019 R'000
Cash value generated from revenue	2 339 169	3 427 579	1 618 156
Less cost of materials and services	(1 659 382)	(2 613 080)	(1 162 515)
Value added	669 787	745 423	455 640
Investment revenue	162 420	247 321	257 578
Wealth created	832 207	992 744	713 218

Distributed as follows:

Employees	793 162	746 757	381 137
Capital providers	196 408	185 005	217 078
Debt providers	14 179	31 759	32 786
Communities	25 472	21 451	16 171
Government	70 865	81 610	108 576
Retained for growth	(267 879)	123 474	(42 530)
Wealth distribution	832 207	992 744	713 218

Employee statistics

Number of employees at year-end	2 089	2 059	2 201
Turnover per employee	1 120	1 610	735
Value added per employee	325	362	207
Wealth created per employee	403	482	324

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 2021

The section below details the progress made in creating value, the relevant key performance indicators, our 2021 progress, the risks related to the material matters and the associated opportunities. We tracked our progress according to our capitals defined by the International Integrated Reporting Council's Integrated Reporting <IR> Framework as the resources and relationships used and affected by an organisation.

NATURAL CAPITAL

MATERIAL MATTERS	KEY PERFORMANCE INDICATOR
<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 	<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
2021 PROGRESS	WHAT ARE THE RISKS RELATED TO OUR MATERIAL MATTERS?
<ul style="list-style-type: none"> Continued with the implementation of renewable energy solutions in our fishing and brands division Production of environmentally-friendly products Investment in research and development Head Office is located in a "green building" 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 	<p>The following risks cannot be partly or fully mitigated as it falls outside of our control:</p> <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 The effects of climate change on sustainability Reallocation of long-term fishing rights Change in regulatory requirements Environmental challenges including carbon emissions impact, waste management and marine coastal management

WHAT ARE THE OPPORTUNITIES CREATED BY THE MATERIAL MATTERS?

- Further implementation of renewable energy through a phased approach at the abalone farm
- Expansion of 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
- Favourable quota allocation in the fishing division will substantially increase revenue and will also present an opportunity for more spend on SMMEs, socio and economic investments
- Increase production in organic and environmentally sustainable products

AEEI remains fully committed to and cognisant of the necessity for environmentally sound practices. Refer to page ESG table on page 4 on the progress made to date.

AEEI remains on target for per person hours worked by 5% within three years for energy, electricity, carbon emission and water .

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. However, policies, procedures, systems and controls from environmental management are influenced by their recommendations as well as by the Task Force on Climate-Related Financial Disclosures (TCDF).



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