

SUSTAINABLE DEVELOPMENT REPORT



Introduction and overview

Sustainable development enables corporate citizens to prosper in a responsible manner and within a framework that safeguards both their and future generations’ long-term sustainability. It requires the identification and active management of those issues that could materially affect the long-term successful existence of the enterprise in the context of all stakeholders – including, but not exhaustively, shareholders and institutional investors, consumers, employees, customers, suppliers, government, unions, and local communities.

AVI Limited (“the Company”) has a well-run governance framework that enables it to identify and manage material sustainability issues. The Company operates in a manner that ensures that the needs of the present generation of stakeholders are met without compromising future generations. Sustainability matters are monitored and managed, for example, by the appropriate diversity committee, health and safety committee, internal review committee, audit committee or social and ethics committee, while the overarching responsibility for matters before these committees remains vested with the Company’s Board of directors (“Board”). Sustainability matters that are deemed to be of a material nature, or that require heightened focus,

are elevated to the Board. Executives within the Company remain responsible for specific matters and are held accountable for their successful implementation and management.

The Company considers its sustainability responsibilities under the following three broad categories:

- **Ethics** – ethics are at the foundation of an effective and sustainable organisation that must be able to operate without censure or compromise over the long term. Proper ethics and appropriate values are central to the Company’s culture and therefore to the behaviour of its employees. They assist in establishing a willingness to accept and embrace broader issues in our society, forming the basis of the Company’s interactions with its stakeholders.
- **Scarce resources** – in order to ensure future generations have access to the resources on which the Company is reliant, and that the Company’s viability is not compromised in the long term, the Company is intent on carefully managing those resources relevant to its operation. In addition to managing the very specific risk relating to finite Cape hake fishing resources, the Company is committed to the application of sustainable practices across its operations.

- **Transformation and good corporate citizenship** – the Company recognises the moral, social and economic imperative to embrace and support transformation in South Africa and to be regarded as a valuable participant in the South African economy and society. The Company also recognises the need to be, and to be seen as, a good corporate and socially responsible citizen that it is desirable to do business with.

Guiding framework

The following guidelines and/or standards were consulted when compiling this report:

- The King Report on Corporate Governance for South Africa, 2016 (“King IV report”);
- The Listings Requirements of the JSE Limited (“Listings Requirements”);
- The JSE Responsible Investment Index criteria; and
- The Global Reporting Initiative (“GRI”) framework.

While the King IV report and Listings Requirements require the Company to prepare an integrated report, various other reporting frameworks deal with the underlying sustainability reporting criteria. The GRI framework and JSE Responsible Investment Index have been identified by the Company as appropriate frameworks for reporting on these issues based on the Company’s specific needs, its areas of operation and stakeholder concerns.

During the year the Company identified material Group-wide issues for reporting purposes and an index indicating where these issues are referenced throughout this annual report can be found on page 53. While these issues have been categorised according to the GRI framework, the Company has not undertaken a detailed self-assessment nor been formally assessed, and the decision to use the GRI and JSE Responsible Investment Index frameworks for guidance in compiling this report is not intended to declare compliance as understood in either framework. In addition the Company has been independently assessed by FTSE Russell (FTSE International Limited and Frank Russell Company) on behalf of the JSE against the FTSE Russell ESG Rating framework and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong environmental, social and governance practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products. The Company remains committed to ongoing review and re-assessment of the scope of its reporting, as well as to the advisability and need for formal reporting or assessment against the accepted frameworks.

Disclosures on the Company’s approach to managing the matters reflecting on the Company’s sustainability can be found throughout the report either as an introduction to the relevant sections or as specific disclosures on relevant issues.

Social and Ethics Committee

The Social and Ethics Committee was constituted in August 2011 in terms of the Companies Act 71 of 2008, as amended, and the Regulations thereto (“the Companies Act 2008”), and adopted formal terms of reference, delegated to it by the Board, as its charter. The charter is subject to the provisions of the Companies Act 2008 (in particular section 72 as read with Regulation 43). The committee has discharged its functions in terms of its charter, and in particular reviewed the Company’s activities, having regard to relevant legislation and other legal requirements and best practice, relating to:

- Social and economic development;
- Good corporate citizenship;
- The environment, health and public safety;
- Consumer relationships;
- Labour and employment; and
- The Company’s ethics codes and performance.

The committee has unrestricted access to all Company information, employees and directors and is authorised, after discussion with the Chairman of the Board or the Chief Executive Officer where necessary, to investigate any matters within its terms of reference; seek external professional advice; secure the attendance of relevant consultants at its meetings; and implement policies approved by the Board. In addition the committee has the mandate to bring matters within its remit to the attention of the Board and to report back to shareholders at the Annual General Meeting.

For further details regarding the composition and meetings of the committee, shareholders are referred to the Corporate Governance Report on page 60.

Stakeholder engagement

Stakeholder engagement is an important aspect of the Company’s sustainability responsibilities and it formally identifies and recognises material stakeholders with legitimate interests with whom it engages on relevant issues. Engagement with these stakeholders takes a variety of forms, depending on the matter at hand, and may vary in frequency. Where key topics and concerns are raised through such stakeholder engagements, the Company responds to the relevant stakeholders in a variety of ways, including directly or through its annual reporting. The table on the following page lists the more obvious stakeholders and provides examples of the nature of the engagements that the Company has with them.

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Stakeholder type	Nature of engagement
Shareholders, analysts and media	<ul style="list-style-type: none"> • Annual General Meeting at which shareholders have an opportunity to vote on material resolutions, including the appointment and remuneration of directors • Distribution of information via the website, including financial, brand, governance, social, ethics, and sustainability matters • Press releases and SENS announcements • Formal presentation of the half year and final financial results to the investment community • Integrated Annual Report • Interviews and media briefings • Scheduled bi-annual meetings with analysts • Ad hoc meetings with analysts and investors, both locally and overseas, as required • Meetings to resolve queries on specific matters as required
Customers and consumers	<ul style="list-style-type: none"> • Daily contact in own and customers' stores • Meetings • Consumer and product research • Marketing campaigns • Websites • Customer care and complaint lines • Customer audits
Employees and employee representative bodies (including unions)	<ul style="list-style-type: none"> • Intranet and published newsletters or notices • Bi-annual presentations by the Chief Executive Officer to the executive community • Presentations and written communication (e.g. newsletters and posters) on material issues and regulations affecting employees • Conferences and general staff meetings • Performance appraisals • Union representative forums • Workplace forums such as the employment equity and learning and development forums • Industry relevant Sector Education and Training Authorities • Independent anonymous reporting hotline • Intranet-based incident reporting system • Ad hoc events
Suppliers	<ul style="list-style-type: none"> • Supplier product and relationship management conferences • Visits and meetings • Supplier audits • Senior operational and procurement staff day-to-day interactions
Communities and non-profit organisations	<ul style="list-style-type: none"> • Corporate social investment programmes • Workplace learning and development programmes for unemployed learners • AVI graduate development programme • Partnerships and sponsorships • Ad hoc community engagements in surrounding communities, including Company sponsored employee volunteer days
Business associations	<ul style="list-style-type: none"> • Participation in, or membership of numerous associations such as the South African Chamber of Commerce and Industry; Accelerate Cape Town; the Consumer Goods Council; a number of fishing industry associations including the South African Deep-Sea Fishing Industry Association, the Responsible Fishing Alliance, the World Wildlife Fund's South African Sustainable Seafood Initiative, the Abalone Farmers Association and the South African Mid-water Trawling Association; the Association of Food and Science Technology; the Restaurant Association; the Speciality Coffee Association; the Cosmetic, Toiletry and Fragrance Association; the Aerosol Manufacturers' Association; the Institute of Packaging; the South African Rooibos Council, and the Responsible Packaging Management Association of South Africa • Participation in association initiatives
Government or regulators	<ul style="list-style-type: none"> • Regular contact with significant industry regulators through business associations

Ethics

The Company has a well-established and comprehensive Code of Conduct and Ethics ("the code") that applies to all directors and employees and provides clear guidance on what is considered to be acceptable conduct. The code requires all directors and employees to maintain the highest ethical standards and ensure that the Company's affairs are conducted in a manner which is beyond reproach. The code is communicated to all new employees as part of their induction training, published on the intranet for access at all times by employees, and published on the external website for public access. The code is aligned with the recommendations in the King IV Report and is regularly reviewed to ensure that it remains up to date and relevant.

In order to monitor ongoing compliance with the code, the Company has a formal governance framework. Within the governance framework material issues are highlighted in management reports that are reviewed by the operating executives. If appropriate, matters are elevated to the Company's Board or Audit and Risk Committee. This formal framework is supported by the Company's internal audit function, which is responsible for investigating identified areas of concern and reporting its findings to the Company's Chief Financial Officer and the Audit and Risk Committee. The Company subscribes to an independent, professional hotline disclosure service as an important component of an ethical environment. This service facilitates confidential reporting on fraud and other unethical conduct. Communication drives are undertaken from time to time to remind employees of this "whistleblowing" service. In addition the Company has implemented an in-house intranet-based incident reporting service that requires employees to report incidents, or potential incidents, which have caused, or could have caused, harm to the Company's property or people on the Company's premises. A senior employee actively manages the incident management reporting system and also engages with the ethics hotline service providers. All anonymous reports and other reported incidents are reviewed on a daily basis, and, if appropriate, thoroughly investigated. The Company has a proven track record of dealing appropriately with matters arising from the ethics hotline and incident management reporting systems. Investigations and disciplinary hearings have been held and, where appropriate, civil and criminal action has been taken.

In addition to the formal framework, it is imperative to promote a culture that is consistent with the ethical values that the Company aspires to. This is achieved through the example set by the Board and executive management, consistent enforcement of these values, and the careful selection of employees that display the desired attributes and values. The Company continues to communicate formally with suppliers and customers to secure their support for and compliance with its ethical standards.

Scarce resources and biodiversity

Fishing resources

The Company's primary exposure to scarce resources that could materially impact its business is the sustainability of fishing resources (primarily deep water hake) in South African territorial waters. I&J has secured long-term hake fishing rights at a level that can support economic returns provided that the resource remains at sustainable harvest levels.

A number of fishing rights that were allocated in 2005 expired at the end of 2015 and had to be reapplied for by means of the 2015 Fishing Rights Allocation Process ("FRAP2015"). After numerous delays in the process, including an extended appeal process, the Department of Agriculture, Forestry and Fisheries ("the Department") announced the outcomes of the applications to the respective sectors. Based on the allocation process I&J was allocated 18,4% of the Hake Inshore Trawl (previously 34,1%), 13,4% of the Patagonian Toothfish (previously 17,8%), and, pending the outcome of the appeal process, 4,3% of the Horse Mackerel (previously 11,7%) total allowable catch. Despite an appeal no rights were awarded to I&J for Kelp.

The current Hake Deep Sea Trawl long-term rights expire at the end of 2020. The Department has indicated that they intend to initiate this rights allocation process during the course of 2018. Whereas I&J's experience in FRAP2015 has created a level of uncertainty regarding the 2020 process, there are several initiatives in progress to ensure that I&J is well positioned to compete effectively for hake long-term rights in this process. In addition, there is ongoing engagement between the South African Deep Sea Trawling Industry Association, an association of South African trawler owners and operators that catch, process and market Cape hake, the Department, and the broader fishing industry to emphasise and promote an understanding of the role of the large fishing companies in the deep sea trawling industry and the vital role it plays in the ocean economy, and to seek alignment on the role and promotion of small scale fishing within the industry.

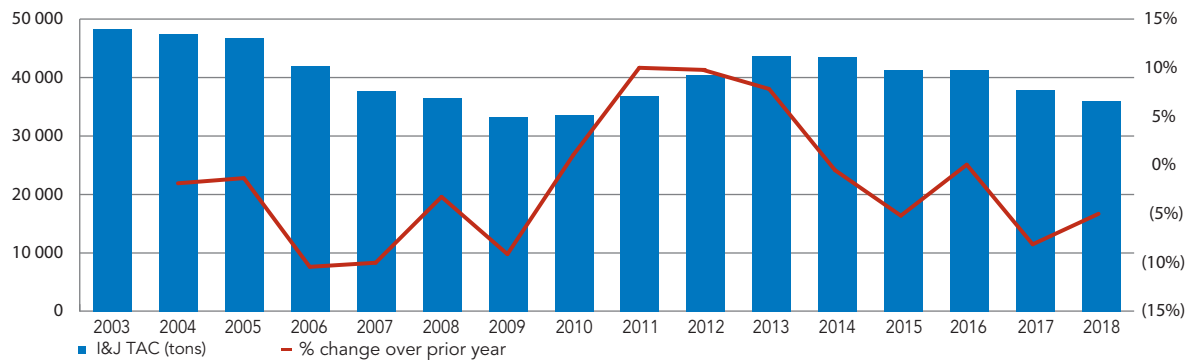
The health of the South African fishing resource is managed by the Department. The Department sets an industry-wide annual "total allowable catch" ("the TAC") for each species under management and, for certain species, also sets a "total allowable effort" ("the TAE") in which a limit is placed on the number of boats, number of men, and the number of days per year that each boat is licensed to fish. In addition to the TAC, hake trawling sector and effort limitations apply which seek to ensure that the capacity of the deep-sea trawling fleet does not grow too big for the available resources.

The TAC is managed conservatively based on scientific data recorded by fishing companies and annual research voyages conducted by the Department using either their own or chartered vessels.

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The graph below shows the TAC over an extended period, with movements tracking the performance of the hake resource over time. In recent years the TAC has declined in line with declining catch rates.

I&J TAC 2003 to 2018



In the past two to three years I&J has caught a high proportion of small fish, negatively impacting on freezer catch rates and land-based processing owing to an increase in the number of fish to be processed for an equivalent volume. This has been experienced previously and is part of the natural biomass cycle, which is influenced by various environmental factors. Although this proliferation of small fish negatively impacts performance in the short term, it is indicative of a strong recruitment. This has been evidenced by an increase in larger fish in 2018 as these small fish mature.

In May 2015 the Marine Stewardship Council recertified that the South African hake resources met the requisite environmental standards for sustainable fishing for a further five years. This certification gives assurance to buyers and consumers that the seafood comes from a well-managed and sustainable resource, which is increasingly relevant in I&J's export markets.

I&J strives to lead initiatives to manage fishing effort and protect breeding areas off the South African coast. Effort control measures, such as the ring-fencing initiative for the demarcation of trawling grounds, are being monitored and I&J continues to partner with the Department to ensure compliance and enforcement thereof. I&J has a good working relationship with the World Wildlife Fund South Africa ("WWF-SA") which has resulted in the development of projects such as the responsible fisheries training programme and initiatives to reduce the incidental mortality of sea birds. During 2009 WWF-SA and I&J, together with other major South African fishing companies, formed the Responsible Fisheries Alliance ("RFA"). The alliance is intended to ensure that all stakeholders understand and

support the implementation of an Ecosystem Approach to Fisheries ("EAF") management in South Africa's fisheries. EAF seeks to protect and enhance the health of marine ecosystems. The goals of the RFA include promoting responsible fisheries practices, influencing policy on fishery governance, and supporting skills development and research in the industry.

I&J is a signatory to a Participation Agreement with WWF-SA's Sustainable Seafood Initiative ("WWF-SASSI") which provided that by the end of 2015 all seafood sold by I&J would be either:

- certified by the Marine Stewardship Council ("MSC") for wild caught products; or
- certified by the Aquaculture Stewardship Council ("ASC") for farmed products; or
- green-listed by the South African Sustainable Seafood Initiative (WWF-SASSI); or
- the subject of a credible, time bound improvement project.

I&J's commitments have been incorporated into the I&J Sustainable Seafood Policy ("SSP"), a comprehensive document that sets out the standards to which I&J strives to adhere and the standards expected from its suppliers. With the policy in place customers are assured that all I&J seafood products are derived from sustainably managed fisheries or aquaculture operations or fisheries working under an improvement programme. However, notwithstanding this policy, during I&J's fishing operations there will be incidences where species with sustainability concerns may be caught as unavoidable by-catch. I&J cannot completely avoid or exclude these species from its fishing operations but it is committed to ensuring that

these species are included in an effective By-Catch Management Plan and best practice solutions are proactively implemented to manage and mitigate the impact on these vulnerable species.

I&J's Danger Point abalone farm is situated immediately adjacent to the sea and is the Company's only property in or adjacent to an area of high bio-diversity. South Africa's high energy coastline is generally unsuitable for offshore fish farming and land-based aquaculture allows for better control over environmental factors so that the impact on the environment can be limited. Although abalone aquaculture has a relatively low impact on the environment, in order to minimise any potential harm, the global abalone farming industry, including I&J, has engaged with the WWF to develop a set of standards. The Danger Point abalone farm has adopted these recently developed Global Abalone Standards and has been audited by the Aquaculture Stewardship Council. Accreditation was granted in November 2015 and this eco-label is used to guarantee that I&J's abalone products are and continue to be raised in an environmentally responsible manner.

Water

Water is and always will be a scarce resource throughout South Africa and the recent drought in the Western Cape has served to highlight this issue. Potential shortages, interruption of municipal supply, and quality of water have all been identified as risks at many of the Company's facilities. The subsidiary companies have invested substantial time and money in addressing the problem and have taken steps to mitigate these risks such as using borehole water, installing water reservoirs, recycling condensate and effluent, while simultaneously taking steps to measure and better manage water consumption.

I&J in particular is highly dependent on potable water to produce ice for the fishing operations as well as for the processing and cleaning of fish at both the Woodstock Primary Process and Paarden Island Value Added Processing facilities. I&J has implemented a number of water saving initiatives across the business, resulting in a reduction in usage in excess of 35%. However, in view of the ongoing drought in the Western Cape and risk of significant water supply restrictions in Cape Town, I&J engaged with both Government and water specialists to assist in investigating alternatives with a view to securing

a supply of water sufficient to maintain operations into the future. To this end a substantial investment in producing potable water from non-potable ground water, and a desalination process has begun with the intention of significantly reducing I&J's dependence on municipal water.

Largely prompted by the recent drought in the Western Cape and in order to ensure continuity of operations, Indigo Brands completed a number of water saving initiatives which will have a lasting positive impact on the environment and the cost of water to the business. These initiatives resulted in a 30% reduction in water consumption and included water pressure management, optimisation of process water consumption, as well as recovery and re-use of waste process water into the ablation facilities.

In view of the probably long-term water supply constraints Indigo Brands has engaged water specialists to assist in investigating further initiatives with a view to securing a sufficient supply of water to maintain operations into the future.

Electricity

The extreme energy shortages experienced in South Africa a few years ago highlighted the need for the Company to be more self-sufficient and to make energy conservation a priority. Numerous energy saving initiatives have been implemented by the subsidiary companies to manage energy usage and, at the same time, generators were installed at all of the Company's facilities to ensure continuity of supply. Despite the fact that the electricity supply grid appears to be more stable at the moment, this issue remains a priority for the Company.

Transformation and good corporate citizenship

Transformation

The Company recognises the moral, social and economic imperative to embrace and support transformation in South Africa and to be a valuable participant in the South African economy and society. A transformed company in the South African context is not only one that has a workforce that is representative of the country's racial and gender demographics and that operates with a bias towards broad-based empowerment opportunities, but one that also embraces diversity.

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The Company continues to focus on transformation and remains intent on providing a workplace that encourages diversity. Transformation is considered in the context of broad based black economic empowerment (“BBBEE”) and is measured annually by an external verification agency against the generic BBBEE scorecard. A central senior manager actively coordinates the Company’s efforts and ensures that the subsidiaries are well educated on the various facets of transformation. The subsidiaries’ progress is monitored and they are centrally assisted in the implementation of targets and various initiatives. During the year under review significant time and funds were invested in advancing the transformation plans that had been developed in previous years. The progress of these plans was reviewed at half year and appropriate and revised activities were agreed upon, where necessary.

From FY10 to FY14, on the original BBBEE Codes of Good Practice, AVI materially improved its rating from a level 6 contributor (at 53,78%) to a level 4 contributor (at 70,25%). Since 2015 the verifications have been done against the amended Codes and the Company consistently achieved a level 7 rating, discounted to a level 8 rating. This year the Company improved its score and achieved a level 6 rating (78,22 points), which was then discounted to a level 7 rating for failing to achieve the required 40% threshold on supplier development. The other minimum thresholds for equity ownership, skills development, preferential procurement and enterprise development were all met. Despite not meeting the 40% threshold on supplier development this score continues to improve since the inception of this element in FY15, as follows: FY15 – 5,2%; FY16 – 9,89%; FY17 – 21,17%.

BBBEE scorecard

A comparison of the FY15, FY16, FY17 and FY18 scorecard elements is set out below. As the amended Codes differ significantly from the “old” Codes, a comparison to years prior to 2015 would not be meaningful without an accompanying analysis of the underlying data.

Three-year BBBEE scorecard

Element	2018 %	2017 %	2016 %
Ownership	77,5	76,39	58,2
Management control	28,94	27,74	24,33
Skills development	90,97	57,82	68,73
Enterprise and supplier development	75,39	62,31	56,66
Socio-economic development	100	100	100



Measured Entity	
Company Name	AVI Limited and Subsidiaries
Registration Number	1994/017201/06
VAT Number	Refer to second page
Address	2 Harries Road, Illovo Johannesburg 2196

B-BBEE Status	
B-BBEE Status Level	Level 6
Element Points Obtained	EO: 19,97 points; MC: 5,5 points; SD: 18,19 points; ESD: 30,16 points; SED: 5 points
Discounting Principle Applied	Yes
Empowering Supplier	Yes
<small>*Black Owned <=25% and full points for Net Value *Black Women Owned <=20% and full points for Net Value</small>	
Black Voting Rights	20,29%
Black Economic Interest	18,35%
51% Black Owned *	No
Black Designated Group Supplier	No
Black Women Voting Rights	5,13%
Black Women Economic Interest	7,26%
30% Black Women Owned *	No
Normal Flow Through Principle Applied	
Issue Date	24/08/2018
Expiry Date	23/08/2019
Certificate Number	ELC8116RGENBB
Version	Final
Applicable Scorecard	Amended Codes - Generic
Applicable BBBEE Codes	Amended Generic Codes Gazetted on 11 October 2013

BEE Procurement Recognition Levels		
Level	Qualification	%
1	≥ 100 Points	139%
2	≥ 95 but < 95	129%
3	≥ 90 but < 95	110%
4	≥ 80 but < 90	100%
5	≥ 75 but < 80	80%
6	≥ 70 but < 75	60%
7	≥ 55 but < 70	50%
8	≥ 40 but < 55	10%
Non Compliant		<40 0%

Enquiries	
Tel:	086 111 4003
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This certificate is the result of an independent and impartial verification of the BBBEE status of the measured entity measured against the Codes of Good Practice on Broad Based Black Economic Empowerment. This certificate has been issued in accordance with the EmpowerLogic Verification Certificate Policy. EmpowerLogic uses the Law Trust advanced electronic signature system (eASign) which is compliant with the Electronic Communications and Transactions Act no 25 of 2002. The validity of the certificate is ensured as long as the digital signature details corresponds with the Technical Signatory's details as displayed on the certificate.

Ownership

The Company achieved an ownership score of 77,5% and met the 40% threshold for net value (one of the sub-elements of equity ownership). This is in part owing to the Company’s Black Staff Empowerment Share Scheme (“the Scheme”), which was launched during January 2007 and the changes made to the Scheme in 2010, which allowed the Company to secure recognition of the Scheme for BBBEE rating purposes, thereby visibly providing support to the Company’s transformation agenda. The Scheme placed 7,7% of the Company’s total issued share capital or 26 million ordinary AVI shares in a trust for the benefit of its eligible black employees and, in aggregate, the participants will benefit from growth in the share price over a seven-year period, with the first tranche vesting after five years.

The first tranche of shares, being one-third of the total allocation made on 1 January 2007, vested on 1 January 2012. Over the life of the Scheme to date, 17 873 participants have benefited from the Scheme and received a total gross benefit of R824,6 million, including 1 587 participants who left the Company’s employ in a manner that classified them as “good leavers” and which good leavers received a total gross benefit of R105,4 million.

In accordance with the changes made to the Scheme during 2010, participants were entitled to – and many did – vote on the resolutions proposed at the Company’s Annual General Meeting held on 2 November 2017.

At a subsidiary level, the Company remains committed to ensuring that a direct economic benefit flows to I&J employees and the Company’s Board has approved the continuation of a 5% black staff shareholding up to 2020. The total amount paid to participants since commencement of the scheme in May 2005 amounts to R31,9 million – a significant contribution towards the financial and social upliftment of I&J’s employees. In addition 20% of the shareholding in I&J is held by two broad based black empowered companies with strong commitments to the South African fishing industry. Both of these are important aspects of the focus on the transformation of the fishing industry.

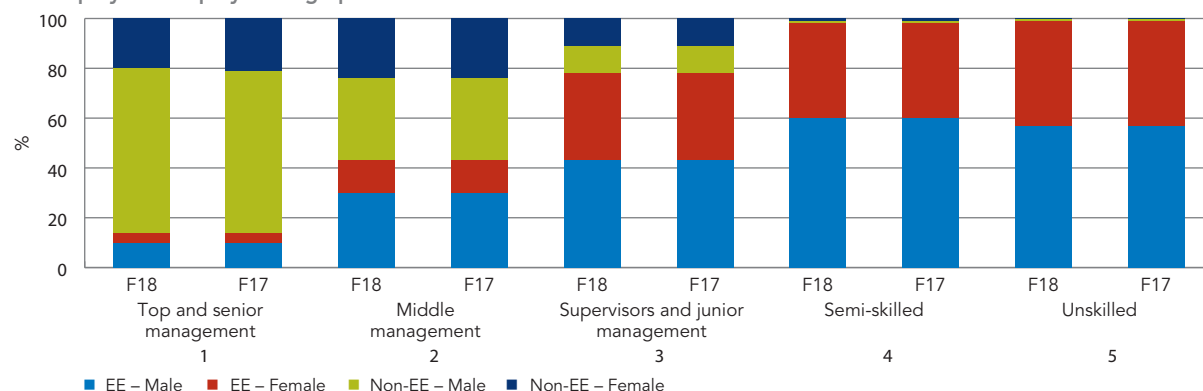
Management control

Management control now measures both Board participation and employment equity as one element.

The Company achieved a score of 28,94%. While management control is not a priority element in terms of the Codes in that it does not have a minimum threshold, it remains an area of material importance and heightened focus for the Company.

Attracting senior black candidates from their current employment in these less certain economic times is difficult. During the year the Company has furthered its efforts to appoint, develop and retain black employees, especially where representation is required in the middle, senior and top management bands. The Company’s employment equity efforts remain behind training, developing and mentoring black employees with the objective of retaining them and preparing them for more senior roles.

AVI employment equity demographics



Skills development

Development of the Company’s employees remains a priority and the central learning and development service has made material progress over the years by successfully originating relevant learning opportunities for a broad community of employees, continually reviewing current learning services and requirements and enhancing their alignment to the Company’s needs, assisting the Company in developing its employees in an appropriate manner and progressing the Company’s transformation agenda.

The Company continues to have strong and credible relationships with six key Sector Education and Training Authorities (“SETA”), including the Food and Beverage SETA, the Wholesale and Retail SETA, the Transport SETA and the Chemical Industries SETA, which enabled the Company to successfully receive discretionary grant payments of R7,6 million. Total SETA funding to the Company during FY18 was R11,67 million.

The Group skills development facilitator continues to focus on the management of learnership programmes, apprenticeships, internships and graduate and work experience programmes and during the year the Company had 719 learners (the majority of whom were black) on these types of skills development programmes.

Learnership programmes remain a priority through the Group, particularly in I&J and Field Marketing. Field Marketing is currently supporting 109 learners (of whom eight are disabled) on key programmes including Contact Centre Operations and Support, and Wholesale and Retail.

I&J has made substantial investments in training unemployed youth for the fishing and broader maritime industry. This includes interns and graduates. During the past year I&J invested in the formal training of 143 people (of whom 27 are disabled) on programmes

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including NQF3 Business Administration, NQF1 Food and Beverage Handling, NQF2 Fish and Seafood, and NQF3 Maritime Operations. In addition 13 engineering apprentices are in the process of completing their apprenticeship contracts. Following completion of the training courses, I&J has retained 11 Maritime Operations learners and 10 Fish and Seafood learners as permanent employees. Thirteen Learners with disabilities who completed the NQF3 Business Administration course have now enrolled on the NQF4 Learnership.

Indigo Brands trained 65 learners and focused their attention on Production Technology and Stores and Warehousing learnership programmes. Spitz successfully enrolled 96 people on the UNISA retail programmes, including Retail Management and Introduction to Retail, and registered six unemployed disabled learners on NQF4 Generic Management and nine store managers on NQF5 Generic Management.

Ciro enabled 23 unemployed people (of whom seven are disabled persons) to complete their UNISA Barista Programme. Snackworks and Entyce are currently supporting 76 disabled employed learners on NQF1 Business Practice and NQF1 Hygiene and Cleaning programmes.

The AVI Graduate Programme, started in FY16, has now been running for two and a half years. There are currently eight engineering graduates, two supply chain graduates, two sales and marketing graduates, three information technology graduates, and one quality graduate on the programme, all of whom are actively involved in projects at their respective workplaces. Feedback from the sites and the executive mentors has been extremely positive. All 16 graduates have had the opportunity to engage in soft skills and business specific training in order to fast track their development, and had the opportunity to present to and have lunch with the AVI CEO. FY19 will see the enrolment of 14 new graduates across the Group, within various divisions and disciplines.

In the past year the Company has continued to focus on the development of online training courses in an effort to reduce the cost and complexity of classroom-based programmes, particularly in the retail businesses. Spitz has launched a Product Knowledge course to 908 employees within the Spitz stores and 251 within the Kurt Geiger stores. The Customer Service online course is still running successfully through the Spitz business and has added increasing value to our customer focus proposition. Giro recently launched a further 49 online modules dealing with their entire range of products and services. Their current modules are also currently being refreshed and updated.

National Brands has embarked on online training within its Snackworks factories and the Asset Protection department has begun its eLearning journey with a course on Incident Investigation and Reporting. Online training programmes will continue to be identified to replace classroom options where possible.

The amount spent on recorded skills development initiatives for Black people in FY18 was R75,2 million, an amount equivalent to 3,5% of the leviable amount. 3 576 employees or 40% of the total workforce (including permanent and fixed term contract employees), were trained during the year, 90% of whom were Black (African, Coloured and Indian).

The Company achieved a score of 90,97% in the June 2018 verification and met the required 40% threshold. Skills development remains a priority area for the Company.

Enterprise and supplier development

Under the amended Codes this element now comprises preferential procurement, enterprise development and supplier development.

The Chief Procurement Officer, in collaboration with specialist procurers in the Company and with a focus on favouring local empowering suppliers (as defined in the amended Codes), plays a large role in the Company's enterprise and supplier development strategy. Measured on the amended Codes, the Company scored 75,39%, an improvement over the 62,31% scored in 2017 and the 56,66% scored in 2016, and an endorsement of the Company's enhanced procurement practices. The Company met the 40% threshold in both preferential procurement (70,99%) and enterprise development (100%) but failed to meet the threshold in supplier development (34,08%).

The Group Supplier Development Manager works closely with the business unit procurement teams on a continuous basis to identify and review potential supplier development projects, both to replace imported raw material/packaging suppliers and to develop black-owned suppliers for locally supplied raw material and/or packaging. Each potential project is reviewed to ensure that the potential supplier meets the criteria stipulated in the Group's Enterprise and Supplier Development Plan and that the project is sustainable. Suitable projects are hard to find and take considerable time to review but once they have been identified and verified as being both commercially viable and contributing towards the sustainable development of local suppliers, agreements are signed and priority given to implementing the projects.

The Company engages with suppliers regarding their transformation needs and requires its suppliers to register on the Department of Trade and Industry IT portal, which provides a single national catalogue of vendors and their BBBEE profiles. In addition the Company engages with suppliers regarding their empowering supplier status and assists suppliers where necessary to achieve this requirement.

The subsidiaries have procurement policies in place addressing such matters as BBBEE targets, origin of materials, environmental awareness and sustainability, as well as labour practices and ethics. Potential suppliers are required to undergo a thorough vendor evaluation and selection process in which they address these issues. Wherever possible, locally based suppliers are preferred over international suppliers. The Company makes every effort to ensure that it only does business with suppliers who comply with all applicable legislation and has not identified any of its suppliers where employees' labour and human rights are, or are at risk of, being violated.

Good corporate citizenship

The Company recognises the benefits of being a good corporate citizen with a commitment to contributing to sustainable economic, social and environmental development through working with employees, their families, the local communities and society at large to improve quality of life, and being an organisation that it is desirous to do business with.

Labour data and practices

	2018	2017
Number of permanent employees (South Africa at 30 June)	8 439	8 535
Gender split (%) (including non-South African)		
Male	59	59
Female	41	41
Ethnic split (%)		
African	64	63
White	8	8
Indian/Chinese	4	4
Coloured	23	24
Non-South African	1	1
Ethnic and gender split (%)		
Black (African, Indian/Chinese and Coloured) male	54	53
White male	4	4
Black female	37	37
White female	4	4
Non-South African	1	1

37,73% of the Company's permanent employees are members of recognised trade unions covered by collective agreements defining the terms of the relationship between the Company, the unions and the members, as well as their engagement on matters ranging from operational changes to annual negotiations on wages and other substantive issues. Union engagement is managed at an executive level within the subsidiaries, with oversight from the Company, in particular from the Group HR executive.

The Company requires the subsidiaries to have appropriate policies and procedures in place to address employee and industrial relations issues and to ensure that these policies and procedures are communicated to all employees and other relevant stakeholders.

The Company complies with all applicable labour and employment legislation, including legislation pertaining to freedom of association, child labour, and forced and compulsory labour, and is committed to the protection of all employees' human rights, the provision of decent work, and fair and sustainable labour practices. During the year no infringements of these rights or incidents of discrimination were reported.

Health, safety and wellness

The Company provides a healthy and safe work environment to its employees as a basic right and recognises that a healthy and safe workplace enhances employee morale and productivity. It is also recognised that a healthy and safe workplace is essential in the food handling industry and ensures that consumers are protected and product quality assured.

Health and safety requirements are firstly monitored and reviewed within the risk management framework of the Company and legislative compliance is required as a minimum standard. The requisite health and safety committees are in place and training occurs on an ongoing basis. These on-site committees deal with issues as and when required, and if necessary they elevate matters to the internal review committees that they report to. If necessary, matters are referred to the Company's Board of directors or Audit and Risk Committee. In addition the Social and Ethics Committee monitors these matters. There are also various supplementary health and wellness initiatives that form part of the Company's employee engagement framework.

Statistically the Company's safety record is viewed against the industry standard disabling injury frequency rate ("DIFR"), which measures the percentage of employees that suffer a disabling injury for every 200 000 man hours worked. A disabling injury is an injury that causes an employee to miss a shift following the

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one on which they were injured. At a Group level the Company experienced 67 disabling injuries – down from 84 in the prior year – resulting in 877 lost days and achieved a DIFR of 0,50 for the year, a significant improvement over the previous year’s rating of 0,60. Steps are continually being taken to proactively identify and prevent potentially harmful situations and improve employee training.

As Company-wide statistics can mask events, the Company categorises all injuries into one of three classes. Class 1 being damage that permanently alters a person’s life ranging to class 3 that inconveniences a person’s life. During the year under review there was a decrease in all classes of injuries. In particular there were no class 1 injuries.

The high safety standards adopted by the operations are continually being enhanced by accreditation with independent standard-regulating authorities.

Store robberies in the retail sector remain a reality and both Spitz and Green Cross are taking all possible measures to limit the probabilities of and risks associated with robberies in their stores. In addition they maintain a close relationship with the AVI Employee Wellness Programme to ensure that all affected staff receive counselling after any traumatic event. A further significant concern in the past year has been the increase in cash-in-transit heists. Spitz and Green Cross both have contracts with cash-in-transit providers for the collection and transportation of cash to and from the stores and an increase in this category of crime results in increased insurance claims for stolen cash.

The Westmead and Isando biscuit factories, and the Isando coffee and creamer factory are FSSC 22000 certified, an international standard for the certification of Food Safety Management Systems. The Westmead and Isando biscuit factories, and the Rosslyn snack factory, have maintained certification to the AIB (American Institute of Baking) Food Safety Standard,

a certification which the Durban tea factory achieved in August 2017. The Durban tea factory and Rosslyn snack factory are both ISO 22000 (food safety quality management system) certified. The biscuits, snacks, coffee and creamer, and tea factories have all acquired and maintained their Certificates of Acceptability from their local municipal authorities. The Westmead and Isando biscuit factories, the Isando coffee and creamer factory, and the Durban tea factory have all maintained their ISO 14001 certification, while the Isando biscuit factory also maintained its OHSAS 18001 certification.

The Indigo Brands cosmetics and aerosol factories are ISO 9001:2015 (quality management system) and SANS 1841 (Control of Quality: Trade Metrology Act) certified. In the year under review Indigo Brands also achieved compliance against the ISO 22716 Cosmetics Good Manufacturing Practice standard (the international standard for cosmetics manufacture) in both factories.

The I&J Woodstock and Valued Added Processing sites have HACCP accreditation, which is regulated by the National Regulator for Compulsory Specifications. In addition both I&J processing facilities have “A” listed BRC (British Retail Consortium for Global Standards), Higher Level IFS (International Food Standard) global food safety certification, MSC (Marine Stewardship Council) Chain of Custody Certification (a sustainability certification) and SANS 1841 (Control of Quantity – Trade Metrology Act) certification. The Micro laboratory at the Woodstock factory has SANAS 17025 accreditation and the Auckland Cold Store in Paarden Island is ISO 22000 and HACCP accredited, as well as ZA282 certified (certification by the Department of Agriculture allowing the export of frozen product into the Southern African Development Community). The I&J chicken processing plant is ZA111 certified (certification by the Department of Agriculture allowing the processing of chicken products). In addition to applying standards to the Company’s own operations, the factories continue to make progress through supplier audits with a view to having all their suppliers



certified to a recognised Food Safety standard. During the year a follow-up Amfori BSCI social audit was conducted at I&J and an "A" rating was achieved in each performance area with zero non-compliances. The Amfori BSCI code of conduct refers to international conventions such as the Universal Declaration of Human Rights, the Children's Rights and Business Principles, UN Guiding Principles for Business and Human Rights, OECD Guidelines, UN Global Compact, and International Labour Organisation conventions and recommendations relevant to improve working conditions in the supply chain.

All of the Company's sites are reviewed annually by independent risk management consultants and continual improvement is driven through risk committees at each site, which in turn report their findings to the Company's Audit and Risk Committee, which has the responsibility for the consideration of risk management throughout the Group.

In response to the outbreak of *Listeria monocytogenes* earlier this year, the subsidiary companies reviewed their Food Safety and Quality management systems and processes, which are designed and maintained to ensure that all products produced conform to the highest food safety and quality standards. Where appropriate product and hygiene testing procedures were reviewed to increase the frequency of testing and pathogen environmental monitoring was done on drains, extraction fans and ventilation units to identify the presence or absence of the pathogen. Employees were instructed to be extra vigilant and sanitisers used to clean the factories were verified and validated to ensure that they were effective. No *Listeria monocytogenes* failures were identified or occurred.

The Company is also a Top 50 subscriber to the Food Safety Initiative which operates under the auspices of the Consumer Goods Council of South Africa. It takes all reasonable steps to collaborate with stakeholders to ensure that food produced, distributed and marketed in South Africa meets with the highest standards of

food safety and nutrition and complies with legal requirements or recognised codes of good practice.

The Company continues to recognise the detrimental social and economic impact that HIV/Aids is having in South Africa. The Company has a formal HIV/Aids policy which details, inter alia, the Company's philosophy, responsibilities and support programmes. The Company's Board accepts responsibility for the Group's response to the issue of HIV/Aids and holds the boards of the Group subsidiaries accountable for the implementation and monitoring of the response strategies as set out in the policy framework. Flowing from this, policies and practices have evolved over the years that include the placement of permanent clinics at the larger sites; knowledge, attitude and practices surveys; awareness and education programmes; voluntary counselling and testing programmes; individual case management; the provision of universal precautions to prevent accidental transmission in the workplace; and the dispensing of free condoms.

Following the success of the Company-wide HIV/Aids voluntary counselling and testing ("VCT") programme that was introduced in 2007, the Company continues to offer this service at all sites to all employees. The VCT programme achieves the objectives of raising awareness, increasing significantly the number of employees that know their HIV status and providing the Company with detailed information per site so that its efforts are appropriately focused.

The Company's larger sites have active primary health care clinics either on a full-time or part-time basis. They are well equipped and managed by appropriate

1. Little Eden
2. Love Trust
3. Love Trust
4. Columbia Leadership
5. Afrika Tikkun
6. Kliptown Youth Programme
7. Kliptown Youth Programme
8. Regenesys Foundation



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medical professionals, including a doctor employed on a full-time basis in I&J. These clinics play a material role in the day-to-day healthcare management of the Company's lower income earning employees, and in a number of instances provide an out-reach programme for immediate family members. Many of the clinics are involved in doing annual medical checks for all employees, running VCT programmes, and providing flu vaccines to high-risk employees at no cost to the employees.

Utilisation levels of the employee wellness programme, managed by ICAS and introduced throughout the Company during April 2009, remain constant and the programme is well used by the Company's HR community, the Company's employees and their immediate families. The employee wellness programme covers areas that address the entire spectrum of psychosocial stressors in the workplace and at home, lifestyle diseases and work-life balance by providing an independent, impartial, professional and confidential counselling and advisory service that extends beyond healthcare and, among other services, gives the Company's employees and their immediate family members access to financial and legal advisory services. The Company and its subsidiaries continue to actively promote the use of the employee wellness programme.

In addition to the formal employee wellness programme, a number of sites from time to time hold wellness programmes and days on matters such as diabetes; tuberculosis; HIV/Aids; eye care; cancer awareness; and generally maintaining a healthy lifestyle.

Corporate social investment

The Company's corporate social investment ("CSI") programme is aimed at bringing about positive social and economic changes to historically disadvantaged communities in the environments in which the Company operates. The Company achieved a score of 100% for its socio-economic development in the most recent BBBEE rating. On an annual basis an amount of approximately 1% of the Company's pre-tax profits achieved in the previous year is set aside for this purpose. The areas of focus are broadly education and skills development; sports, arts and culture; the environment; and health and welfare. Grants are managed through the Company's Community Investment Trust. This trust is served by elected employees who have shown an interest in CSI and an ability to manage the CSI programme. All material projects are properly vetted and monitored by the trustees to ensure that they achieve what was initially intended. In addition the Company is always cognisant of the impact, both negative and positive, that its operations could have on local communities and commits to identifying any such communities and to engaging with them regarding the prevention or mitigation of negative impacts.

During the year under review R21,6 million was available to the Company's CSI programmes. As at 30 June 2018, R21,5 million of these funds had been disbursed.

The greatest portion of the Company's CSI funding was spent on education and skills development projects. The Company supported a large group of senior scholars and channelled further support into a more focused group of tertiary students in the following manner:

- The Supplementary Trust, part of the Star Schools Programme, continues to be a meaningful cause particularly since the establishment of its centres in Winterveldt and Durban. They support over 250 students from 19 beneficiary schools who attend the Star Schools Programme. Learners are assisted over a three-year period, from grades 10 to 12, and are provided with expert tuition in English, Mathematics and Science, on Saturdays and during the school holidays, necessary study materials, as well as career guidance, transport and food. In addition the programme offers career guidance and life skills training. The programme seeks to upgrade the learners' academic standards to enable them to further their education at a tertiary institution.
- The Company, in partnership with the Studie Trust, provided full or partial bursaries to seven students through its Tertiary Bursary Programme. The bursaries assisted these students to further their higher education at various universities. The students were selected based on their financial means, academic results and preferred fields of study, which were aligned to the Company's graduate recruitment needs. In addition and where possible, the Company places students within the business to complete one year of in-service training required to qualify in their chosen fields. A student mentorship programme runs in parallel to this initiative which provides extensive and ongoing support to these students.
- The Company has partnered with the Foundation of School Leadership and Management since 2012. This is an initiative established by former school principals aimed at sustainable, proactive and skills-based interventions which directly benefit schools' leadership, learners and their communities. During the past year the Company sponsored nine facilities on the Leaders4Learning Diepsloot Early Childhood Development Programme, which involved the mentoring and coaching of facility managers and staff; parent development and involvement; connecting with social development and early childhood development officials; modular training; and 24/7 support for learners and staff. The programme has shown significant results through a reduction in staff absenteeism; an increase in the number of learners; a marked improvement in the relationship between the facility and the parents; and ultimately enhanced trust and a greater use of the facilities.

- The Diepsloot Foundation allows disadvantaged youths over the age of 18 years who have not achieved their matric to achieve a matric equivalent education and skills and enables them to become employable or self-employed through the Adult Basic Education and Training, or carpentry and sewing programmes. The project also provides formal mentoring and other support to graduates in their employment location for as long as is needed.
- The Company has supported the Kliptown Youth Programme since 2008. The organisation was founded in 2007 and is situated in the Kliptown informal settlement in Soweto. It provides a safe haven and educational support for 400 children and youth between the ages of eight and 20 years. The programme offers a free after-school centre with additional weekend activities. The focus of the organisation is on the tutoring of learners in grades 1 to 12. The children also receive two meals per day. The Company's support has not only been monetary but has included support through a transfer of business, finance and leadership skills and direct involvement by the Company's employees through the AVI employee volunteer programme. In addition learners from this organisation are recipients of scholarships through the Ruth First Scholarship Programme, which is also supported by the Company.
- The Rural Education Access Programme ("REAP") assists disadvantaged youth to access tertiary education through a partnership with the National Student Financial Aid Scheme and the National Skills Fund. In 2017 REAP supported 500 students from all nine provinces, enrolled at 16 universities and technikons, studying a broad range of disciplines. To date 69% of these students have successfully completed their studies, the majority of whom have found full-time permanent employment. All of the students came from economically disadvantaged homes and matriculated from rural schools, many of which are severely under-resourced.
- The Ruth First Scholarship Programme sponsors disadvantaged girls' attendance at Jeppe High School for Girls, one of the country's foremost public schools for girls, with full tuition and boarding costs to grade 12. The Company is currently sponsoring seven girls. Three of these learners originated from the Kliptown Youth Programme.
- The Rapport Onderwysfonds supports young students from disadvantaged communities with bursaries to enable them to gain a tertiary qualification with a view to qualifying as teachers, many of whom are now teaching at schools in under-privileged communities. In 2017 the Company sponsored 16 new bursary recipients.
- The St Mary's School Waverley Foundation provides critical resources and opportunities to girls from disadvantaged communities by supporting their

education and training as teachers, and the funding of community affairs programmes. The Company has committed to the funding for one girl for five years to enable her to complete her studies. The bursary includes payment for tuition, boarding, study materials, uniforms and extra-mural activities, including money to provide the necessary equipment for cultural and sporting activities.

- The Learn to Earn foundation trains students in Basic Computer skills, Office Administration, Sewing, Hospitality and Barista programmes. During the past year the Company sponsored 46 students with a completion rate of 96%.

Other worthy CSI initiatives that the Company supported during the year were:

- The Peninsula School Feeding Scheme that feeds children in six primary schools in the Western Cape on a daily basis. Often this is the only meal of the day for many of the children.
- The Love Trust, which has established a skills development centre (the Nokuphila School) to train early childhood development educators in and around Tembisa. The Company sponsors the employment of an ECD trainer and makes a contribution towards the upkeep and maintenance of the school building. To date the Nokuphila School has served 370 vulnerable children from grade 000 to grade 7. Children also enjoy meals, extra-mural activities and access to a social worker and remedial therapist. In the past year the Company also assisted the Love Trust with the employment of competent principals for Nokuthula Pre-Primary and Nokuphila Primary schools.
- The National Sea Rescue Institute ("the NSRI") of which I&J is a platinum member and to which the Company makes an annual donation. Over the years I&J has made a substantial contribution to the organisation's infrastructure, building a state-of-the-art rescue station in Cape Town harbour, donating a number of rescue craft and supporting the "Waterwise" initiative which teaches children between the ages of 9 and 14 what to do in an emergency and how to "breathe for their buddy" while waiting for the emergency services to arrive. Over 350 000 children have been through the "Waterwise" programme since its inception in 2011.
- I&J is a founding sponsor of the Two Oceans' Aquarium in Cape Town and has supplied fresh fish to this spectacular educational facility since it opened in November 1995. I&J also sponsors the Aquarium's Young Biologist training programme.
- The Red Cross Children's Hospital, where I&J's contributions since 1997 have funded the construction of consultation rooms, a radiology facility in the trauma unit, an isolation ward in the burns unit and, in collaboration with government and the Red Cross Children's Trust, the establishment of

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the Child Speech and Hearing Clinic at the Mitchell's Plain Hospital. In the past year the Company supported the newly established Milk Matters project, which works to expand access to breast milk for premature babies.

- The Whale Coast Conservation Trust ("WCCT") was established in 2002 with the mission to unify, coordinate and promote environmentally sustainable living in the Cape Whale Coast region of the Western Cape. I&J has collaborated with the WCCT to inspire environmental learning and an understanding of one-planet/sustainable lifestyles by sponsorship of their environmental education programmes. Following completion of the programme these schools are given "eco-school" status.
- Enactus, which is an international non-profit organisation that brings together student, academic and business leaders who are committed to using the power of entrepreneurial action to improve the quality of life and standard of living for people in need. During the past year the Company supported the Enactus teams at the University of Fort Hare, the Mangosuthu University of Technology and the University of Zululand.
- Afrika Tikkun, which provides education, health and social services to vulnerable children, youth and their families through centres in six South African communities with the aim of ensuring a sustainable future for the children and empowering the communities to develop generations of productive citizens.
- Arebaokeng Hospice, which operates a terminal and respite care hospice, and day care centre for orphans and vulnerable children in Tembisa. The Company contributed towards the cost of building and equipping the facility as well as assisting with its running costs.
- Both Sides of the Story, which aims to improve relationships between parents, educators and learners through improved communication and mutual understanding.
- The Young Entrepreneur Foundation Programme, which, over a period of 30 weeks, teaches children between the ages of 7 and 15 vital entrepreneurial and financial literacy skills and helps them to start and grow their own micro-enterprises in a fun and experiential way.
- My Future My Career, run through the Regenesys Foundation, which provides career guidance and an understanding of career opportunities to grade 9 to 12 learners. The programmes look at both the academic requirements and the personality fit of the learners to various careers. Since inception the programme has reached over 200 000 children nationally.

The Company has also been involved in or made donations to a number of smaller but just as important initiatives, such as the Uniform Project, Look Good Feel Better, Heartworks, Carel du Toit Trust, Symphonia for Africa, Section 27, Ikamva Youth Centre, Abraham Kriel Children's Home, Bambini Dream Foundation, and Partners for Possibility.

At a more personal level, the Company's employees are encouraged to become involved with their local communities on Company sponsored employee volunteer days. All of the projects are selected from organisations with which the Company has established relationships and the Company gives employees time off to provide their services to these projects. This year the employees also came together to collect for animals in need, pre-school reading material for Afrika Tikkun, and for the Paint it Purple initiative, which assists people caring for children with disabilities in under-resourced communities.

Environmental policy

The Company recognises that its use of natural resources has a socio-economic impact and a physical impact on the environment, accepts responsibility for such impacts, and pursues responsible environmental and climate change practices. This involves:

- Reducing the Company's environmental impact and continually improving the Company's environmental performance as an integral part of the Company's business strategy and operating methods;
- Compliance with all applicable environmental legislation or standards;
- The practice of responsible environmental management related to inputs (material, energy and water) and outputs (emissions, effluents and waste) affecting ecosystems and communities;
- Independent annual environmental audits at each manufacturing site measuring the impact that the particular operation has on its environment and reviewing compliance with legislation and Company policy;
- Providing a framework for setting and reviewing objectives and targets;
- Ensuring that all employees understand the environmental policy and conform to the standards it requires; and
- Reporting in the Company's annual report on performance against targets.

The Company's Board of directors is responsible for the environmental policy and for ensuring that its principles are taken into consideration in formulating the Company's business plans, and the Company's Chief Executive Officer and senior management are in turn responsible for implementation of the business plans and communication of the policy. The Board

of directors has delegated the responsibility for monitoring compliance with the policy to the Company's Audit and Risk Committee. Certain aspects of this subject are also considered by the Social and Ethics Committee.

The Company remains committed to the responsible management of all applicable environmental matters, including those which impact on climate change and relate to responsible and sustainable environmental practices, such as greenhouse gas emissions; raw materials usage and recycling; resource usage and efficiency (including water and electricity); impacts

on biodiversity; and emissions, effluents and waste management. In particular the Company is alert to the impact that climate change could have on natural resources and the effect that legislative changes could have on the way the Company does business. The Company monitors relevant global and local legislation, regulations and emission-reduction targets.

Environmental data

During the year under review the Company identified environmental impact areas for measurement, management and reporting.

Indicator	Unit	2018	Data			
			2017	2016	2015	2014
1 Total water consumption by source						
1.1 Municipal*	Litres	717 199 757	927 850 679	1 094 362 412	1 063 057 427	1 043 354 478
1.2 Ground water (borehole)	Litres	7 719 200	1 811 000	1 301 000	2 224 000	2 152 000
2 Total energy consumption						
2.1 Purchased electricity	kWh	99 633 276	102 473 146	107 211 709	99 915 717	106 484 439
2.2 Coal	Tons	13 164	13 219	19 612	14 038	13 541
2.3 Petrol	Litres	946 631	1 062 496	1 138 870	1 155 078	996 017
2.4 Diesel	Litres	8 132 364	6 871 614	10 585 592	9 481 650	12 268 956
2.5 Liquefied petroleum gas ("LPG")	Litres	1 701 445	1 794 734	1 961 562	1 680 034	1 823 823
2.6 Natural gas	Cubic metres	3 084 274	3 130 938	3 396 701	3 289 399	3 482 760
2.7 Marine/heavy fuel oil*	Litres	13 431 358	16 141 409	14 071 795	10 727 200	8 234 325
2.8 Paraffin	Litres	422 352	422 060	821 770	855 096	970 877
3 Carbon emissions for above indicators						
3.1 Total carbon emissions	Metric tons	213 410	221 358	231 568	188 626	196 794
3.2 Carbon emissions per employee	Metric tons	24,59	25,51	26,69	22,66	24,44

* The FY16 municipal water consumption for Green Cross was restated by 2 908 kilolitres to reflect municipal credits given after year end.

Owing to ongoing initiatives the past year has seen further reductions across the Group in a number of energy sources with a resultant reduction in total carbon emissions and carbon emissions per employee. The Company will continue defining and implementing the scope and methods of monitoring and reporting on these issues as well as setting relevant objectives and targets (within the operational objectives of the Company) and managing progress towards those.

In addition to the key areas referred to above the Company will, during the year ahead, consider further areas of environmental impact for possible measurement and reporting, as well as initiatives to mitigate environmental impacts of products and services, where relevant.

Environmental practices

During the year, the subsidiary companies continued their initiatives to measure and mitigate detrimental environmental impacts. Some of the Company's activities and achievements were:

- Environmental management systems – The Isando coffee and creamer factory, the Durban tea factory and both the Isando and Westmead biscuit factories have maintained their ISO 14001 certification. This environmental quality management system enables the factories to identify and control the environmental impact of their activities; continually improve their environmental performance; and implement a systematic approach to setting environmental objectives and targets, achieving these

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and demonstrating that they have been achieved. I&J has the Marine Stewardship Council's Chain of Custody Certification for sustainability in the fishing industry and the Aquaculture Stewardship Council Certification for sustainable abalone farming.

- Energy conservation – The current energy shortage, and global efforts to reduce greenhouse gas emissions, make conserving energy a priority for the Company. Efforts include electricity saving initiatives such as:
 - Improving the efficiencies of production machinery, equipment and processes, and the installation of energy efficient lighting solutions, to maximise energy savings and limit wastage.
 - Optimising the use of cold storage space at I&J and decommissioning under-utilised cold storage space.
 - The installation of electricity meters per site for the measurement of electricity consumption and consumption patterns and Demand Site Management Surveys by Eskom to enable the formulation of improvement plans to correct excessive use or wastage.
 - Electrical load-shifting where possible, bearing in mind the Company's operational requirements and the installation of power correction units to maintain a constant, minimum level power supply.
 - The installation of a photovoltaic array on the rooftop of the extended Bryanston office to provide clean energy and the installation of louvres which passively control heat gain allowing for maximum heat gain in winter and maximum shade in summer, ensuring that the building responds precisely to the various sun angles along the full length of its perimeter.
 - The installation of LED lighting to replace old fluorescent lighting in the Redhill warehouse and the installation of 1 452m² of solar photovoltaic panels on the roof of the Isando warehouse, which are projected to reduce the use of municipal electricity by approximately 340 000 kWh per annum.

In addition the Company's subsidiaries are taking steps to measure and manage their carbon footprint through, inter alia, the use of the Greenhouse Gas Accounting Protocol and the ISO 14064 International Standard for GHG Emissions Inventories and Verification.

- Water conservation – Poor water quality and shortages are a significant potential risk to the Company and the subsidiaries take steps to minimise these risks. These steps include using borehole water where appropriate, reservoirs for storing water, recycling condensate produced during the heating processes back to the boilers, recycling production effluent with a view to reclaiming waste water and adopting environmentally friendly storm water

reticulation, while simultaneously taking measures to measure and manage water consumption. The Redhill logistics warehouse is planning a rain water harvesting project to be implemented in FY19 and the Isando warehouse has started installing a waterless urinal system and exchanging all taps to water efficient push-taps. In addition the Isando warehouse has installed a 10 000 litre tank for the collection of rainwater, which will be used to fill the auto-scrubber used to clean the floors inside the warehouse.

- Fuel consumption – Within its distribution operations there is ongoing focus on optimisation of delivery routes and consideration of distribution networks through the utilisation of routing and scheduling software throughout the Company, the deployment of on-board technology, advanced fuel management systems, more efficient engines and matching of loads to vehicles, as well as driver training academies, which all remain key issues in reducing fuel consumption and the Company's carbon footprint. During the year under review Logistics reduced its diesel consumption by 6% by running fewer vehicles and improved consumption on the new fleet.
- Emissions, effluents and waste – The Company is committed to an overall waste management strategy, reducing the use of raw materials, reducing waste, re-using waste wherever possible, and recycling waste that cannot be eliminated or re-used. Key to managing waste is the monitoring and analysis of waste volumes and component parts to give the Company the information it needs to manage waste effectively. The Company also recognises its responsibility in terms of the Air Quality Act of 2004 and is committed to efficient and effective air quality management and thus ensures that all ovens, paraffin and oil-fired boilers, and boiler stacks are correctly operated, well maintained and routinely inspected. In addition the factories engage with approved inspection authorities and conduct air emission surveys. Green Cross in particular is part of a Green Initiative programme in Epping involving the collection of recycled waste paper and cardboard by a local recycling business (also generating jobs) and contribution of a part of the proceeds received for the waste towards the Epping City Improvement District. These funds are then used to support various charitable organisations in Cape Town. The programme therefore supports not only the environment but also directly contributes to the society in which Green Cross operates. Green Cross was awarded a Green Certificate for its role in this programme and is recognised by both Wasteplan and the City of Cape Town.
 - Effluent management at the Isando biscuit factory through the installation of a new water recycling and treatment plant with a view to reclaiming at least 50% of the waste water. At the Westmead

biscuit factory effluent management involves flocculation and removal of solids from the water and reduction of the pH and chemical oxygen demand ("COD") levels. At the distribution centres all vehicles are washed using biodegradable chemicals and grease traps are cleaned regularly to prevent contamination of the main sewer system. In general, waste materials are classified for possible re-use, recycling or disposal and disposals are done through registered waste disposal and recycling companies.

- Where appropriate the factories are installing new equipment and modifying old equipment in order to reduce emissions.
 - I&J routinely re-cycles metal, corrugated cartons, used sunflower oil and used marine oil.
 - National Brands continued implementing various initiatives to reduce packaging waste by right-gauging flexible packaging and removing excess packaging. The business also encourages consumers to recycle and makes them aware of the recycling categorisation of the packaging.
 - Indigo Brands is currently installing a process effluent treatment and water recovery plant with a view to reclaiming at least 50% of waste water. This effluent management involves flocculation and removal of solids from the water, while balancing the pH levels and reducing chemical oxygen demand levels in the treated effluent.
 - Logistics replaced a number of their diesel forklifts with electric units, thereby eliminating harmful emissions.
- Raw materials – The Company's use of sustainable raw materials, including recycled and recyclable materials and materials derived from ethical and sustainable sources as certified by bodies such as the Roundtable on Sustainable Palm Oil ("RSPO"), the Forestry Stewardship Council ("FSC") (for packaging materials produced from sustainable forests), the Convention on Biological Diversity, and the Right Rooibos initiative, is an integral part of the Company's sustainability strategy. The Company is a member of and has representation on the Board of the South African Rooibos Council, a non-profit organisation whose goal is to protect the Rooibos Industry and to ensure the sustainability of this scarce raw material. All of the palm oil procured by the Company is from RSPO certified suppliers and the yellow maize procured for the manufacture of liquid glucose is certified as non-genetically modified. The high performance paperboard used in I&J retail packs is produced from SFI (Sustainable Forestry Initiative) and FSC certified, renewable resources and all paperboard materials can be recycled multiple times. These retail cartons are packed into outer cartons supplied by local companies that meet the environmental management standard FSSC 22000,

and all I&J outer cartons are 100% recyclable. All paperboard materials used by National Brands are produced from sustainable forests which are FSC compliant, contain no heavy metals or mineral oils, and no fossil fuel energy is used in the production of these products. These materials are also 100% recyclable. Furthermore, National Brands' major corrugate, carton and tin packaging suppliers are certified by SEDEX (a not for profit membership organisation dedicated to driving improvements in ethical and responsible business practices in global supply chains) and the business continues to encourage its wider supply base to aim for SEDEX certification. Ciro Full Service Coffee Co. sells a range of Fairtrade, Organic, Rain Forest Alliance and UTZ (an international standard for sustainable farming of coffee, cocoa and tea) certified products, and a partnership with Mbokomu Rural Cooperative Society in Tanzania assists farmers and farming communities to improve the quality of their coffee and improve processing to reduce waste.

During FY18 the improved quality of the effluent operation at the Westmead biscuit factory resulted in no non-compliance notices or fines being issued to the site during the year. A number of further interventions are under way to reduce water consumption on-site with further benefits expected to the effluent quality. The effluent plant previously installed at the Isando biscuit factory is operating well within discharge requirements and no municipal non-compliances were issued to the site in the past year. The Isando coffee factory received four non-compliance notices and fines in the amount of R78 300,00 for high COD levels in the waste water. The source of the COD was identified and remedied in January 2018 and there have been no further non-conformances since the modifications were made. Further upgrades are being considered to automate the plant with a view to reducing the costs of outsourcing this process. Changes to chemicals and effluent tariffs resulting from improved quality have resulted in cost savings. Other than the notices and fines referred to above, no other fines or non-monetary sanctions for infringement of or non-compliance with environmental laws and regulations were recorded and/or levied against the Company, directors, officers or employees during the period under review and the Company experienced no major environmental incidents. No formal requests or directives have been issued by government agencies or local authorities for the reduction of air emissions.

Consumer and product legislation

The Company's internal legal advisers keep the Company abreast of generic and industry specific consumer and product related legislative and regulatory developments, both pending and apparent, and ensure that the Board, management and employees are

SUSTAINABLE DEVELOPMENT REPORT continued

informed and, where necessary, trained on these developments and the implementation thereof.

In the year under review the Company continued monitoring and addressing changes brought about by relevant legislation, including enhanced regulations pertaining to food safety, the appointment of assignees in terms of the Agricultural Products Standards Act, the Carbon Tax Bill, the formulation of Waste Management Plans, amendments to employment and labour-related legislation, proposed amendments to the Competition Act, advertising to children, labelling, advertising and composition of cosmetics and the Animal Protection Bill proposed in 2017. The Company works closely with relevant industry and government bodies, such as the Consumer Goods Council and the Department of Health, to develop sensible and sustainable criteria for, inter alia, nutrient profiles, advertising and marketing.

The Company’s central marketing and Group legal functions ensure that there is adherence to laws, standards and voluntary codes relating to marketing and communications, including advertising, promotions, competitions and sponsorships. All applicable labelling

legislation is regularly reviewed and, where appropriate, changes are made. The research and development managers in the subsidiary companies are responsible for ensuring applicable compliance.

The Company remains a member of a number of industry associations as set out in more detail in the stakeholder engagement table.

No judgments, damages, penalties, or fines for infringement of or non-compliance with consumer or product-related legislation were recorded and/or levied against the Company, directors, officers or employees during the period under review.

Major risks

The Company and its subsidiaries have well run governance processes and sound systems of internal control which are effective in managing the conventional key areas of business risk such as brand management, manufacturing, financial management and information technology. Other risks that are often more challenging to manage, and pose a greater threat to business success, are summarised below and on the following pages:

Key risks	Comments
Failure to stay in touch with and react quickly to changing consumer perspectives and needs, resulting in lost growth opportunities or erosion of market share	<ul style="list-style-type: none"> Product formats and price points are managed flexibly in different parts of the consumer cycle, in line with consumer needs Each business unit gives high priority to understanding the risks and opportunities that South Africa’s growing black consumer base presents, and responding in a manner appropriate to each category The characteristics of our African export geographies are studied carefully so that we can enhance the relevance of our offering in each geography New product development is aligned with the points above and actively pursued Brand investment is material and consistent, with ongoing efforts to improve the efficiency and effectiveness of this spend. Under or over-spend of marketing money without an economic imperative could lead to unsustainable or diminishing brand equity
Availability of experienced and commercially minded business leaders to seek improvement and grow profits	<ul style="list-style-type: none"> This is an ongoing challenge, particularly given the diversity of AVI’s operations. Considerable resources are expended in identifying people and, where appropriate, attracting them The Group has a flexible operating model which provides high transparency to the centre and facilitates effective interaction on key matters when needed Remuneration and reward systems provide meaningful wealth generation opportunities for managers who excel but a low level of retention in share option schemes in periods of low share price growth, and delays in addressing this mean a loss of senior employees to more attractive opportunities, lower morale for senior employees in general, and an environment in which it is harder to attract the best people. This has been mitigated to some extent by the implementation (with shareholder approval) of new share option schemes in FY17 Various formal and informal internal learning and development initiatives are provided but developing in-house talent is becoming increasingly more important Inadequate progress with transformation would make it difficult to attract top equity candidates and reduce credibility with stakeholders and business partners The difficulty in recruiting scarce skills creates, inter alia, poor management depth and limited succession planning with a risk of reduced business credibility and business effectiveness

Key risks	Comments
<p>Changing competitive landscape that impacts on profitability</p>	<ul style="list-style-type: none"> • A volatile currency with the risk of rapid and material weakening has traditionally been an effective protection against import competition, but has proven less so in the last few years and may not be in the future • A fairly small domestic market reduces the attractiveness of major greenfields investment in South Africa. There is the risk that surplus capacity in the market will inhibit the ability to generate economic returns on investment • New suppliers or customers entering the South African FMCG market can present both risks and opportunities. We believe that the Company has sufficient scale and relevance with its strong brand portfolio to be important to new entrants, and to be able to forge mutually beneficial trading relationships • The Company's best protection in a changing competitive landscape is to continually work to keep our brands and products relevant to consumers, to improve efficiency so that margins can be sustained when prices are constrained, and to be diligent in managing the price/volume/margin equation flexibly as circumstances require • A growth of house brands means increased price competition, difficulty in getting fair representation on shelf, pressure to manufacture house brands, and changes in consumer perceptions of house brands which could lead to increased support and investment in capacity for those brands
<p>Over reliance on third-party brands and diminished profitability if licences are not renewed</p>	<ul style="list-style-type: none"> • Most of the Company's core brands are owned • Key third party brands that the Company has access to are the Lacoste brand in Spitz, the Coty brand in Indigo Brands, and the Lavazza brand in Entyce Beverages. Whilst we have a long history of strong and successful relationships with all of these parties and believe that our business units represent compelling opportunities to each licensor that will be difficult for other licensees to match, there is always a risk of disproportionate dependence on third-party brands and under-investment in owned brands
<p>Sustaining and growing profit margins</p>	<ul style="list-style-type: none"> • Top line growth is a continual focus area for all of our businesses and brings with it the opportunity to leverage fixed costs and expand profit margins • Over-reliance on the strength of core brands could lead to the retardation of key disciplines • A failure to recognise the importance of product attributes in current or innovated products leads to a reliance on brand equity and/or marketing investment • A failure to adjust objectives and strategies to current realities may lead to sudden or gradual under-performance and/or enterprise failure • A failure to invest in manufacturing capacity and/or technology at the correct time may create a risk of market share erosion from both local sources and imports, and major capacity investment remains imperative • Many of the Company's Key Value Items (KVIs) enjoy a brand premium because of their long legacy of delivery and quality. We seek to preserve this premium through retention of product intrinsics and high focus on product quality. We will continue replacement capital expenditure in those parts of our business where it is necessary to sustain efficient and high quality production • The Company has extensive exposure to foreign exchange and commodity price volatility. These exposures are hedged in a manner that allows selling prices to be managed predictably and responsibly and historically our businesses with their strong brands have demonstrated the ability to recover lost profit margin fairly quickly after periods of pressure. The notable exception being I&J, which has little ability to compensate for the impact of a strong Rand on its material export revenues, but similarly also benefits materially when the Rand is weaker • There remain many opportunities to improve profit margins across the Group over the next few years. These include initiatives such as central procurement, ongoing improvements in logistics and field marketing, new technology and increased automation in our factories

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Key risks	Comments
<p>Social and political environment</p>	<ul style="list-style-type: none"> • I&J's long-term fishing rights are dependent on an ongoing review process. If this process becomes politicised it may result in a reduced allocation of hake quota to I&J • Timeous resolution by the Department of Agriculture, Forestry and Fisheries of the renewal of fishing rights • Ongoing increases in administered charges for electricity, water and property rates create additional cost pressure and reduce competitiveness relative to imports • In a two-tiered economy the Company increasingly competes with smaller operators who are not measured or monitored effectively against increasingly onerous legislated requirements, where there is an increasing new entrant risk due to low barriers to entry technology and high margins • Increasingly inflexible labour legislation, including in particular the changes effected to the Labour Relations Act early in 2015, the interpretation of this legislation by the Courts in favour of permanent employment, and increasing demands and industrial action by labour unions, reduce competitiveness against imports, increase investment hurdles and create a growing disparity in wage costs between formal (unionised) and informal sectors • Availability of utilities, such as power and water, necessary to run business can be mitigated at extra cost, but reduce competitiveness. The declining quality of municipal water in many areas could force increased dependence on borehole water (where available) or the installation of water filtering and purification plants, all at an extra cost to the businesses • The imposition of price controls pursuant to a populist political and social agenda could impact on parts of the Company's product portfolio • Dissatisfaction with service delivery by government and municipalities could lead to civil disruption and strikes with a material adverse effect on volumes and profit • The continued decline of educational standards erodes the supply of essential skills to maintain our medium-term competitiveness • The emergence of new and ambitious social programmes that place too heavy a burden on organised business and taxpayers, to the extent that the availability of capital reduces in South Africa, and over time that compromises our ability to sustain our current asset base and competitiveness • Compliance with increasing consumer facing legislation such as that in respect of labelling, advertising, genetically modified organisms (GMOs), salt, and sugar and the increased focus on providing "healthy" alternatives to existing products, requires increased work and pressure on research and development • The outsourcing of Government functions to private entities which results in the creation of additional layers of resources and costs to business, for example the appointment of external assignees in terms of the Agricultural Products Act • Changes to the Broad Based Black Economic Empowerment Codes of Good Practice with, inter alia, substantially increased financial requirements for meeting minimum compliance levels, have had a material negative impact on the scorecard rating and made it difficult to achieve and maintain the historical rating • There is increasing financial demand on the private sector to fund the government's budget deficit and over reliance on the private sector to address social issues, e.g. university fees • Regulators such as the Competition Commission and the Department of Trade and Industry increasingly see their role as maintaining jobs without regard for the underlying economic merit of their decisions and proposals
<p>Environmental</p>	<ul style="list-style-type: none"> • The impact of climate change on natural resources through changing weather patterns and increased global temperatures could affect natural and agricultural resources on which the Company is dependent • Climate change will attract regulatory costs which will increase operating costs • Government commitments to emission-reduction targets could have a significant impact on the operating and distribution practices of the Company • Deteriorating water quality through pollution, including tainted groundwater from mining operations

Going forward

The Company will continue reporting on sustainability issues in a way that focuses on material issues and provides a balanced view of the economic, social and environmental aspects of the Company to stakeholders. In particular there will be focus on:

- Further defining and implementing the scope and methods of monitoring and reporting on the environmental issues identified during the year under

review, and establishing a method to set relevant objectives and targets.

- Reviewing and evolving the principles and practices of sustainable development established throughout the Company.
- Reviewing and evolving the Company's integrated reporting to ensure appropriate reporting of environmental, social and economic sustainability, underpinned by good corporate governance.

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	201-2	Proportion of senior management hired from the local community	Not reported
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	203-2	Significant indirect economic impacts	Not reported
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Anti-corruption	205-1	Operations assessed for risk related to corruption	32
	205-2	Communication and training about anti-corruption policies and procedures	32 and 33
	205-3	Confirmed incidents of corruption and actions taken	Not reported
Anti-competitive behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	None
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	301-2	Recycled input materials used	47 and 49
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	302-3	Energy intensity	47
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	304-2	Significant impacts of activities, products, and services on biodiversity	35 to 37
	304-3	Habitats protected or restored	35 to 37
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	35 to 37
Emissions	305-1	Direct (Scope 1) GHG emissions	47
	305-2	Energy indirect (Scope 2) GHG emissions	Not reported
	305-3	Other indirect (Scope 3) GHG emissions	Not reported
	305-4	GHG emissions intensity	47
	305-5	Reduction of GHG emissions	47
	305-6	Emissions of ozone-depleting substances (ODS)	Not reported
	305-7	Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions	Not reported

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Aspect	Core indicator		Page/not reported
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	306-2	Waste by type and disposal method	48 and 49
	306-3	Significant spills	Not applicable
	306-4	Transport of hazardous waste	Not applicable
	306-5	Water bodies affected by water discharges and/or runoff	Not reported
Environmental compliance	307-1	Non-compliance with environmental laws and regulations	49
Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	Not reported
	308-2	Negative environmental impacts in the supply chain and actions taken	49
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	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not reported*
	401-3	Parental leave	Not reported*
Labour/management relations	402-1	Minimum notice periods regarding operational changes	Not reported*
Occupational health and safety	403-1	Workers representation in formal joint management-worker health and safety committees	Not reported*
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	42
	403-3	Health and safety topics covered in formal agreements with trade unions	Not reported*
Training and education	404-1	Average hours of training per year per employee	39 and 40
	404-2	Programmes for upgrading employee skills and transition assistance programmes	39 and 40
	404-3	Percentage of employees receiving regular performance and career development reviews	39 and 40
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	39, 58 to 64
	405-2	Ratio of basic salary and remuneration of women to men	Not reported*
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Not reported*
Freedom of association and collective bargaining	407-1	Operations and suppliers in whom freedom of association and collective bargaining may be at risk	Not reported*
Child labour	408-1	Operations and suppliers at significant risk for incidents of child labour	Not reported*
Forced or compulsory labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Not reported*

* Comply with labour and employment legislation and collective agreements.

Aspect	Core indicator		Page/not reported
Security practices	410-1	Security personnel trained in human rights policies or procedures	Not reported
Rights of indigenous people	411-1	Incidents of violations involving rights of indigenous people	Not reported*
Human rights assessments	412-1	Operations that have been subject to human rights reviews or impact assessments	Not reported*
	412-2	Employee training on human rights policies or procedures	Not reported*
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Not reported
Local communities	413-1	Operations with local community engagement, impact assessments, and development programmes	32 to 52
	413-2	Operations with significant actual and potential negative impacts on local communities	32 to 52
Supplier social assessment	414-1	New suppliers that were screened using social criteria	Not reported
	414-2	Negative social impacts in the supply chain and actions taken	Not reported
Public policy	415-1	Political contributions	None
Customer health and safety	416-1	Assessment of the health and safety impacts of products and service categories	49 and 50
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not reported
Marketing and labelling	417-1	Requirements for product and service information and labelling	49 and 50
	417-2	Incidents of non-compliance concerning product and service information and labelling	Not reported
	417-3	Incidents of non-compliance concerning marketing communications	Not reported
Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None
Socio-economic compliance	419-1	Non-compliance with laws and regulations in the social and economic areas	None

* Comply with labour and employment legislation and collective agreements.