

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 respond to 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 IV 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 No 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.

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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 below lists the more obvious stakeholders and provides examples of the nature of the engagements that the Company has with them.

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

Stakeholder type	Nature of engagement
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 & 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.

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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 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 4,3% of the Horse Mackerel (previously 11,7%) total allowable catch. Despite an appeal, no rights were awarded to I&J for Kelp.

In adjudicating the appeals on the Horse Mackerel allocation, the minister upheld the quantum allocation methodology applied by the delegated authority, namely the Deputy Director General: Fisheries Management, when awarding rights. I&J is engaging with its legal advisers on a further appeal against this decision. Subsequent to this decision and following the 2019 national elections, the Department of Forestry and Fisheries was merged with the Department of Environmental Affairs to form the Department of Environmental Affairs, Forestry and Fisheries ("the Department").

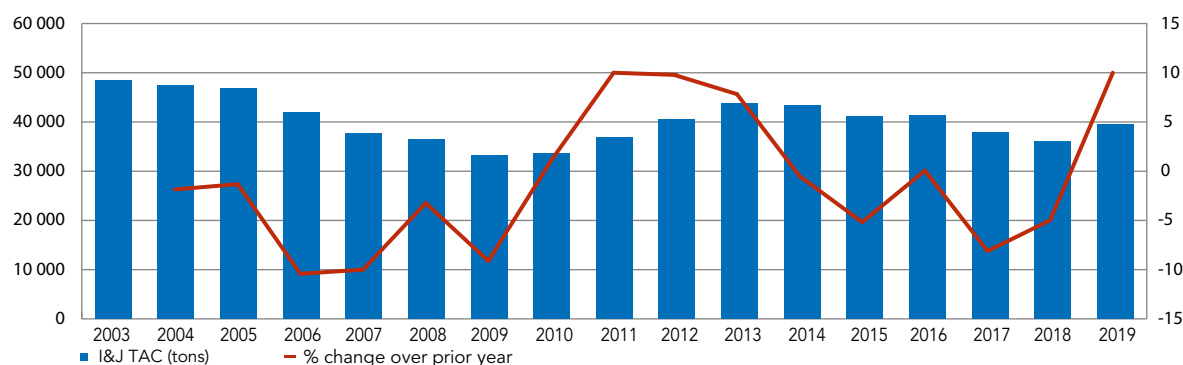
The current Hake Deep Sea Trawl long-term rights expire at the end of 2020. Owing to the changes in structure in the relevant government department, there is an expectation that the FRAP2020 process might be delayed in order to facilitate a more robust and transparent process. Whereas I&J's experience 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 they play in the ocean economy, and to seek alignment on the role and promotion of small scale fishing within the industry. To this end the South African Deep Sea Trawling Association recently supported an economic study of the hake deep sea trawl industry, which report has been distributed to relevant stakeholders in 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 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. The graph below shows the TAC over an extended period, with movements tracking the performance of the hake resource over time. After a period of several years of decreases in quota in line with resource performance, the TAC was increased by 10% in 2019, reflecting expectation of improvement in resource performance after a period of strong recruitment.

I&J TAC 2003 to 2019



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 and 2019 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. The next audit is scheduled for September 2019 and it is the expectation that the industry will be recertified for a further five years.

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 the 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 the Global Abalone Standards and has been audited by the Aquaculture Stewardship Council. Accreditation was granted in November 2015 and renewed in 2019. This eco-label is used to guarantee that I&J's abalone products are and continue to be raised in an environmentally responsible manner. Recently, following an extensive Environmental Impact Assessment, I&J has been granted approval by the Department to further expand the farm as well as to relocate the processing plant from Walker Bay to the farm.

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 Companies' 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 action 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 annualised usage of in excess of 45% compared to FY16. However, in view of the 2017/2018 drought in the Western Cape, and the 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 been installed, with the intention of significantly reducing I&J's dependence on municipal water.

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Largely prompted by the recent drought in the Western Cape and in order to ensure continuity of operations, Indigo Brands has continued with its water saving initiatives which will have a lasting positive impact on the environment and the cost of water to the business.

In view of the probably long-term water supply constraints Indigo Brands 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. As an interim measure, Indigo Brands has procured a bulk water tanker and trailer to transport potable water to site in the event of an interruption in municipal supply. The water offloading, storage, and reticulation on site have been tested and successfully commissioned.

During the past year the Rosslyn Snacks factory conducted borehole yield and quality tests and engaged with specialists to review suitable water purification equipment and storage tanks. Process water tanks are being installed at the Westmead biscuit factory to reduce the impact of water supply interruptions resulting from poor quality water reticulation infrastructure in the area.

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 have been installed at most of the Company's facilities for some time to ensure continuity of supply, with the two remaining sites to be completed in FY20. 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 imperatives 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.

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 for the first three years the Company consistently achieved a level 7 rating, discounted to a level 8 rating. In FY18 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 current year has shown further improvement to a level 5 rating, with no discounting owing to the minimum thresholds for equity ownership, skills development, preferential procurement, supplier development, and enterprise development having been met.

BBBEE scorecard

A comparison of the FY15 to FY19 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.

Five-year BBBEE scorecard

Element	2019 %	2018 %	2017 %	2016 %	2015 %
Ownership	56,45	77,50	76,39	58,20	55,95
Management control	29,81	28,94	27,74	24,33	25,94
Skills development (including bonus points)	100,75	90,97	57,82	68,73	69,26
Enterprise and supplier development (including bonus points)	81,61	75,39	62,31	56,66	43,09
Socio-economic development	100	100	100	100	100

EMPOWERLOGIC
Year 1 Legal Empowerment Solution

Broad Based Black Economic Empowerment Verification Certificate

A CONSIDERED VERIFICATION CERTIFICATE ISSUED TO

AVI Limited and Subsidiaries

Level 5 Contributor

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

B-BBEE Status	
B-BBEE Status Level	Level 5
Element Points Obtained	EO: 14.11 points; MC: 5.66 points; SD: 20.15 points; ESD: 32.64 points; SED: 0 points
Discounting Principle Applied	No
Measurement Period Year End	30/06/2019
Empowering Supplier	Yes
Black Owned >=51% and full points for Net Value	No
Black Women Owned >=35% and full points for Net Value	No
Black Voting Rights	15.53%
Black Women Voting Rights	8.27%
Black Economic Interest	12.20%
Black Women Economic Interest	6.69%
51% Black Owned *	No
35% Black Women Owned *	No
Black Designated Groups	1.30%
Normal Flow Through Principle Applied	No
Issue Date	22/09/2019
Expiry Date	21/08/2020
Certificate Number	ELC8825-2RGENBB replacing ELC8825RGENBB
Version	Final - Revised 26/8/2019
Applicable Scorecard	Amended Codes - Generic
Applicable BBEE Codes	Amended Generic Codes Gazetted on 11 October 2013

BEE Procurement Recognition Levels	
Level	%
1	≥ 100 Points 135%
2	≥ 95 but < 100 125%
3	≥ 90 but < 95 110%
4	≥ 80 but < 90 100%
5	≥ 75 but < 80 80%
6	≥ 70 but < 75 60%
7	≥ 65 but < 70 50%
8	≥ 40 but < 65 10%
Non Compliant	<40 0%

EmpowerLogic (Pty) Ltd
Reg. No.: 1995/000523/07
BBEE Verification Agency

Per Gianna le Roux
Member - Verification Committee

SANAS Accredited

BVA018

This certificate supersedes any previous certificates issued to the Measured entity. This certificate is the result of an independent and impartial verification of the BBEE 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 (Adsign) 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.

1 January 2012. The final tranche vested on 31 December 2018. Over the life of the Scheme, approximately 18 299 participants have benefited from the Scheme and received a total gross benefit of R840,9 million, including 1 596 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 R106,5 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 1 November 2018.

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 R36,3 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.

Ownership

The Company achieved an ownership score of 56,45% and met the 40% threshold for net value (one of the sub-elements of equity ownership). This is in part still 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 BBEE 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

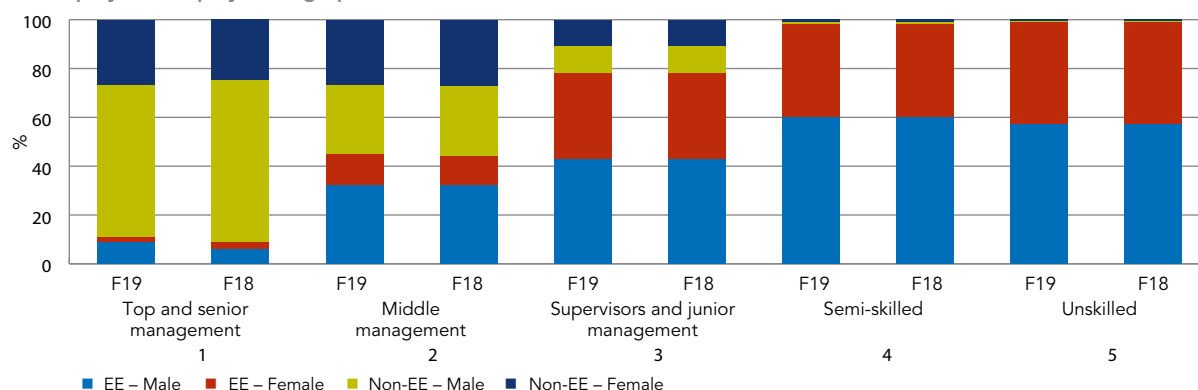
Management control

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

The Company achieved a score of 29,81%. Management control is 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. The Company continues 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



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Skills development

Development of the Company's employees remains a priority and the businesses and central learning and development service have 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 (which presented the Company with an award for excellence in implementing occupationally directed training programmes), the Wholesale and Retail SETA, the Transport SETA, and the Chemical Industries SETA, which enabled the Company to successfully receive mandatory payments of R3,7 million and discretionary grant payments of R8,5 million. Total SETA funding to the Company during FY19 was R12,2 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 738 learners (the majority of whom were black) on these types of skills development programmes.

Learnership programmes remain a priority through the Group.

In the past year National Brands supported 213 learners of whom 71 were unemployed disabled persons on key programmes, including Business Administration.

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 217 people (of whom 40 are disabled) on programmes including NQF3 and NQF4 Business Administration, NQF3 Freight Handling, NQF2 Fish and Seafood, NQF2 Wholesale and Retail Distribution, and NQF3 Maritime Operations. In addition nine engineering apprentices have successfully completed their trade tests. Following completion of the training courses and trade tests, I&J retained eight of the apprentices and 11 Fish and Seafood learners. I&J makes every effort to find employment for learners within the business, or at one of its business partners. After successful

completion of the NQF4 Business Administration course, those learners with disabilities were all employed by I&J business partners.

Indigo Brands trained 54 learners (of whom three were disabled) and focused their attention on Production Technology and Stores and Warehousing learnership programmes.

Spitz successfully enrolled 75 people on the UNISA retail programmes, including Retail Management and Introduction to Retail.

Ciro enabled 47 people (of whom 15 were unemployed disabled persons) to complete their UNISA Barista Programme.

The AVI Graduate Programme, started in FY16, has now been running for three-and-a-half years. There are currently 12 engineering, one supply chain, two sales and marketing, three marine biology, two human resources, one finance, one BI analyst, and four quality graduates 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 26 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. FY20 will see the enrolment of 13 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. The Customer Service online course is still running successfully through the Spitz business and has added increasing value to our customer focus proposition. The Biscuit Technology module within the Snackworks factories is in its final stage of review before implementation. IT has implemented the IT Security Awareness training. Online training programmes will continue to be identified to replace classroom options where possible across all of the businesses.

The amount spent on recorded skills development initiatives in FY19 was R64,87 million, an amount equivalent to 2,92% of leviable amount. Of the total workforce 4 507 employees or 53% (including permanent and fixed term contract employees), were trained during the year, 93,12% of whom were black (African, Coloured and Indian).

The Company achieved a score of 100,75% in the June 2019 verification (including Bonus Points) 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 81,61%, an improvement over the 75,39% scored in 2018 and the 62,31% scored in 2017, an endorsement of the Company's enhanced procurement practices. The Company met the 40% threshold in all three elements, namely preferential procurement (76,41%), supplier development (45,39%), and enterprise development (100%).

The Chief Procurement Officer 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. Some of the projects that have been implemented include:

- Funding of rooibos tea farmers who supply unprocessed rooibos tea to enable them to sustainably farm the tea on the basis of off-take agreements with National Brands and other third parties.
- Increased focus on improving early payments to Exempt Micro Enterprises (EME) and Qualifying Small Enterprises (QSE).
- Funding of select supplier development initiatives across a wide range of sectors in collaboration with reputable third-party institutions such as Inyosi Empowerment.
- Growing the Company's business relationships with existing EMEs and QSEs within the supply chain. In particular extensive work was done in KwaZulu-Natal to move a portion of engineering spend to current suppliers with better transformation credentials.
- Establishment of an initiative with a QSE with the requisite technical competence to blend and co-package coffee for some of the Ciro products.

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

	2019	2018
Number of permanent employees (South Africa at 30 June)	8 504	8 439
Gender split (%) (including non-South African)		
Male	60	59
Female	40	41
Ethnic split (%)		
African	69	64
White	7	8
Indian/Chinese	4	4
Coloured	19	23
Non-South African	1	1
Ethnic and gender split (%)		
Black (African, Indian/Chinese and Coloured) male	55	54
White male	4	4
Black female	37	37
White female	3	4
Non-South African	1	1

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Of the Company's permanent employees, 37,75% 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.

The Company requires 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 one on which they were injured. At a Group level the Company experienced 90 disabling injuries – an increase from 68 in the prior year – resulting in 1 061 lost days and achieved a DIFR of 0,67 for the year, higher than the previous year's rating of 0,50 but nevertheless a good achievement considering the nature of the operations across the Group, and that there were no serious injuries in the year.

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 were no class 1 injuries but an increase in class 3 injuries in certain areas of the business, notably Field Marketing and Logistics, which resulted in the increased DIFR. Remedial action is taken in respect of all incidents and steps are continually being taken to proactively identify and prevent potentially harmful situations and improve employee training.

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.

All of the National Brands manufacturing facilities are FSSC 22000 and AIB (American Institute of Baking) Food Safety Standard certified. They maintained these certifications during the past year. In addition all the factories acquired and maintained their Certificates of Acceptability (now the R638 certificate) 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 maintained

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. In accordance with customer requirements, an annual Amfori BSCI social audit will be conducted at I&J in August 2019. During the previous annual audit 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.

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 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 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, amongst 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.

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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 again achieved a score of 100% for its socio-economic development in the most recent BBEE 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 R22,3 million was available to the Company's CSI programmes. As at 30 June 2019, R21,9 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 Ikusasa Student Financial Aid programme whose stated purpose is to provide needs-based assistance to students from poor and working-class families (the "missing middle"). This support enables students to acquire a broad set of knowledge, skills and character traits that will significantly improve their meaningful participation in the growth of the country, including the economy, human development, leadership, ethical behaviour, and broad citizenship. The intention is to advance equal opportunity and equitable income distribution for all South Africans. The Company's contribution has assisted students in the engineering sector with their four year degrees and includes providing meals, accommodation, transport, books and stipends, in addition to paying tuition fees.
- The Supplementary Trust, continues to be a meaningful cause. Through their incubator programme learners from grades 10 to 12 are exposed to high-quality educational materials and provided with expert tuition in English, Mathematics and Science, on Saturdays and during the school holidays. The trust also provides necessary study materials, career guidance, life skills training, transport and food. 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 Study Trust, provided full or partial bursaries to 10 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.
- The St Mungo Diepsloot Community Action provides Adult Basic Education and Training as a key component of its strategy as it integrates and supports small skills development programmes for carpentry and sewing. The project also allows disadvantaged youth over the age of 18 who have not achieved their matric to achieve a matric equivalent education and skills to become employable or self-employed. In addition the project 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 460 children and youth between the ages of 8 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. REAP supports 500 students from all nine provinces, enrolled at 16 universities and technikons, studying a broad range of disciplines. 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 sponsors learners who 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 2018 the Company once again 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 is currently committed to the funding for two girls for the full terms of their secondary school studies. The bursary includes payment for tuition, boarding, study materials, uniforms, and extramural 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 across three learning centres in the Western Cape. During the past year the Company sponsored 48 students, 88% of whom were female and the majority of who enrolled in the Bake for Profit course.

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 Company's contribution enabled the scheme to feed 1 000 children and to supply all six schools with cooking gas.
- 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 650 vulnerable children from Grade 000 to Grade 12. Children also enjoy meals, extramural activities, and access to a social worker and remedial therapist.
- 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

1. Ikusasa Student Financial Aid Programme
2. Ciro disabled Barista training
3. I&J unemployed learner training
4. Peninsular School Feeding
5. Ikusasa Student Financial Aid Programme
6. Little Eden
7. Klijptown Youth Programme

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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.

- 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 the Child Speech and Hearing Clinic at the Mitchell’s Plein Hospital. In the past year the Company supported the “Leave your Mark on Life” project, which involved the upgrade and expansion of the Paediatric Intensive Care Unit.
- 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 Walter Sisulu University.
- 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.
- The Young Entrepreneur Foundation Programme, which, over a period of 30 weeks, teaches children between the ages of seven 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. In 2018 the programme reached 270 000 children nationally.

The Company has also been involved in or made donations to a number of smaller but just as important initiatives, such as Columba Leadership, the Theo Jackson Jeppe Trust, St Mary’s Outreach Programme, Little Eden, Look Good Feel Better, Heartworks, and the Carel du Toit Trust, Symphonia for Africa, Section 27, Ikamva and Sterretjies EDC Centres, Abraham Kriel Children’s Home, Gansbaai Academia High School, 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 the “60 days to Mandela Day” project during which employees contributed stationery, books, clothing, blankets, and food for various educational and humanitarian causes, and participated in the “Blair Athol Farm School” initiative which assisted with donations and repainting of the school, which serves an impoverished community.

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.

			Data							
Indicator	Unit	2019	2018	2017	2016	2015	2014	2013	2012	
1	Total water consumption by source									
1,1	Municipal	Litres	530 332 908	717 199 757	927 850 679	1 094 362 412	1 063 057 427	1 043 354 478	981 630 869	876 674 227
1,2	Ground water (borehole)	Litres	123 284 000	7 719 200	1 811 000	1 301 000	2 224 000	2 152 000	43 690 000	48 650 000
1,3	Desalination	Litres	20 176 000	-	-	-	-	-	-	-
2	Total energy consumption									
2,1	Purchased electricity	kWh	105 411 043	99 633 276	102 473 146	107 211 709	99 915 717	106 484 439	104 363 238	102 942 232
2,2	Coal	Tons	14 384	13 164	13 219	19 612	14 038	13 541	14 364	13 479
2,3	Petrol	Litres	786 396	946 631	1 062 496	1 138 870	1 155 078	996 017	1 089 360	1 101 370
2,4	Diesel	Litres	8 214 665	8 132 364	6 871 614	10 585 592	9 481 650	12 268 956	19 039 640	6 498 706
2,5	Liquefied petroleum gas (LPG)	Litres	1 885 807	1 701 445	1 794 734	1 961 562	1 680 034	1 823 823	1 591 998	1 493 206
2,6	Natural gas	Cubic metres	3 049 839	3 084 274	3 130 938	3 396 701	3 289 399	3 482 760	3 283 150	3 371 258
2,7	Marine/heavy fuel oil	Litres	12 097 912	13 431 358	16 141 409	14 071 795	10 727 200	8 234 325	-	11 247 428
2,8	Paraffin	Litres	610 803	422 352	422 060	821 770	855 096	970 877	1 064 317	1 011 376
3	Carbon emissions for above indicators									
3,1	Total carbon emissions	Metric tons	220 767	213 410	221 358	231 568	188 626	196 794	216 558	208 837
3,2	Carbon emissions per employee	Metric tons	25,44	24,59	25,51	26,69	22,66	24,44	28,24	28,86

The I&J water project got underway during the year and has resulted in a shift from municipal to either borehole or desalinated water as is evident in the table above.

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 certifications. 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 and demonstrating that they have been achieved. I&J has the Marine Stewardship Council's

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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. In addition to initiatives previously reported on, including improving the efficiencies of production machinery, equipment and processes, and the installation of energy-efficient lighting solutions; the installation of electricity meters per site for the measurement of electricity consumption and consumption patterns; Demand Site Management Surveys by Eskom to enable the formulation of improvement plans; electrical load shifting where possible; the installation of a photovoltaic array on the rooftop of the Bryanston office building, and louvres to passively control heat gain; the installation of LED lighting in the Redhill warehouse; and the installation of solar photovoltaic panels on the roof of the Isando warehouse, efforts during the past year include electricity-saving initiatives such as:
 - The installation of energy efficient compressors at I&J (Woodstock).
 - The installation of low power consumption LEDs in the majority of the Indigo Brands' facilities and the upgrade of the power factor correction to optimise energy demand, as well as the evaluation of solar power opportunities.
 - The initiation of a project by Group Procurement to review and assess opportunities for solar power across the Group.

The Company's subsidiaries are taking steps to measure and manage their carbon footprint in accordance with the requirements of the Carbon Tax Act No 15 of 2019, which commenced on 1 June 2019. All sites are measuring the various emissions in preparation for imposition of the tax. The initial financial impact is expected to be small.

- Water conservation – Poor water quality and shortages remain 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.
- 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 benefiting from 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.
 - The International Maritime Organisation 2020 legislation requires a significant reduction in sulphur emissions from maritime vessels from January 2020. I&J will be able to comply within this timeframe but will incur significant extra fuel costs (of approximately R16 million per annum) as a result thereof. I&J is working closely with its suppliers to find appropriate fuel to meet the requirements of the new standards.
 - Effluent plant management has been outsourced to specialists at the Isando and Westmead biscuit factories, and the Isando coffee and creamer factory. In addition, upgrades are planned to the effluent plants for the Westmead and Rosslyn factories. 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 has commissioned a process effluent treatment and water recovery plant. This effluent

management involves flocculation and removal of solids from the water, whilst 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 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 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. Indigo Brands continues to deliver meaningful packaging weight reductions with the introduction of two new body lotion packaging solutions that use significantly less rigid plastic material thereby improving the product: packaging ratio and reducing post-consumer waste plastic. Indigo Brands has now

reached double-digit materials reduction with various initiatives that remove unnecessary packaging weight. New technology investigations continue with specific developments in the use of recycled plastics and compostable materials.

During FY19 the Westmead biscuit factory received one warning from the eThekweni municipality for high COD levels in the effluent, a further warning for a small flour spill that entered the storm water system, and experienced one event for which a R5 000,00 fine could be, but was not, issued, namely wash water that overflowed from a tank into the street. The effluent plant 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 experienced one event for which a R5 000,00 fine could be, but was not, issued, namely ash entering the storm water system. The South African Maritime Safety Authority/ Department of Trade and Industry imposed fines totalling R600 000,00 on I&J in terms of the Marine Pollution Act No 2 of 1986, for two minor fuel spills in the V&A Harbour. Standard operating procedures have subsequently been revised with a view to avoiding future such occurrences.

In general across the Group 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 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 changes in the standards relating to processed meats in terms of the Agricultural Products Act, the Benefit Sharing Agreement between the Rooibos industry and the Khoi and San communities, progress on the implementation of the Protection of Personal Information Act, the Carbon Tax Act No 15 of 2019, which commenced on 1 June 2019,

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progress on the Waste Management Plan submitted by SA Packaging to the Department of Environmental Affairs, amendments to employment and labour related legislation, and amendments to the Competition Act. The Company works closely with relevant industry and government bodies, such as the Consumer Goods Council, the Department of Health and the Department of Environmental Affairs, Forestry and Fisheries to develop sensible and sustainable criteria for, inter alia, food safety, nutrient profiles, advertising, marketing, and product claims.

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 and regulatory 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 means a risk of 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 on 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
Changing competitive landscape that impacts on profitability	<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
Over reliance on third-party brands and diminished profitability if licences are not renewed	<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. While 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
Sustaining and growing profit margins	<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 are many opportunities to improve profit margins across the Group over the next few years. These include initiatives such as further programmes in central procurement, ongoing improvements in logistics and field marketing, new technology and increased automation in our factories

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Key risks	Comments
Social and political environment	<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 Environmental Affairs, 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 tax-payers, 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
Environmental	<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.

Index of material issues (referencing the 2016 GRI Standards)

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	102-3	Location of headquarters	Inside back cover
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	102-12	External initiatives	32 to 53
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Strategy	102-14	Statement from senior decision maker	6 to 9
	102-15	Key impacts, risks, and opportunities	6 to 9; 50 to 52
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Governance	102-18	Governance structure	60 to 69
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	102-20	Executive-level responsibility for economic, environmental, and social topics	60 to 69
	102-21	Consulting stakeholders on economic, environmental, and social topics	34 and 35
	102-22	Composition of the highest governance body and its committees	60 to 69
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Aspect	Core indicator		Page/not reported
Governance continued	102-28	Evaluating the highest governance body's performance	60 to 69
	102-29	Identifying and managing economic, environmental, and social impacts	46 to 52; 60 to 69
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	102-31	Review of economic, environmental, and social processes	60 to 69
	102-32	Highest governance body's role in sustainability reporting	60 to 69
	102-33	Communicating critical concerns	60 to 69
	102-34	Nature and total number of critical concerns	50 to 52
	102-35	Remuneration policies	70 to 80
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	102-38	Annual total compensation ratio	70 to 80
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Stakeholder engagement	102-40	List of stakeholder groups	34 and 35
	102-41	Collective bargaining agreements	42
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	102-43	Approach to stakeholder engagement	34 and 35
	102-44	Key topics and concerns raised	34 and 35
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	102-46	Defining report content and topic boundaries	Inside front cover
	102-47	List of material topics	Inside front cover
	102-48	Restatements of information	Entire Integrated Annual Report, where applicable
	102-49	Changes in reporting	33 and Annual financial statements from page 81
	102-50	Reporting period	Inside front cover
	102-51	Date of most recent report	Inside front cover
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Management approach	103-1	Explanation of the material topic and its boundary	Entire Integrated Annual Report, where applicable
	103-2	The management approach and its components	Entire Integrated Annual Report, where applicable
	103-3	Evaluation of the management approach	Entire Integrated Annual Report, where applicable

Aspect	Core indicator		Page/not reported
Economic performance	201-1	Direct economic value generated and distributed	27
	201-2	Financial implications and other risks and opportunities due to climate change	35 to 38; 46 to 49
	201-3	Defined benefit plan obligations and other retirement plans	100; 101; 126; 133 to 139
	201-4	Financial assistance received from government	105
Market presence	201-1	Ratios of standard entry wage by gender compared to local minimum wage	Not reported
	201-2	Proportion of senior management hired from the local community	Not reported
Indirect economic impacts	203-1	Infrastructure investments and services supported	Not reported
	203-2	Significant indirect economic impacts	Not reported
Procurement practices	204-1	Proportion of spending on local suppliers	Not reported
Anti-corruption	205-1	Operations assessed for risk related to corruption	32 to 35
	205-2	Communication and training about anti-corruption policies and procedures	32 to 35
	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
Materials	301-1	Materials used by weight or volume	47
	301-2	Recycled input materials used	46 to 49
	301-3	Reclaimed products and their packaging materials	46 to 49
Energy	302-1	Energy consumption within the organisation	47
	302-2	Energy consumption outside of the organisation	Not reported
	302-3	Energy intensity	47
	302-4	Reduction of energy consumption	47
	302-5	Reductions in energy requirements of products and services	47
Water	303-1	Water withdrawal by source	47
	303-2	Water sources significantly affected by withdrawal of water	37; 38 and 47
	303-3	Water recycled and reused	46 to 49
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	35 to 37
	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

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Aspect	Core indicator		Page/not reported
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 (NOx), sulphur oxides (SOx), and other significant air emissions	Not reported
Effluents and waste	306-1	Water discharge by quality and destination	48 and 49
	306-2	Waste by type and disposal method	48 and 49
	306-3	Significant spills	49
	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
Employment	401-1	New employee hires and employee turnover	41
	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	40 and 41
	404-2	Programmes for upgrading employee skills and transition assistance programmes	40 and 41
	404-3	Percentage of employees receiving regular performance and career development reviews	40 and 41
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	39; 58 to 69
	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*

* Comply with labour and employment legislation and collective agreements.

Aspect	Core indicator		Page/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*
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 53
	413-2	Operations with significant actual and potential negative impacts on local communities	32 to 53
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.