

UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS

14 December 2020

The United Nations Global Compact is an international initiative that addresses human rights, labour, environmental and corruption issues through a commitment to ten principles derived from the Universal Declaration of Human Rights, the International Labour Organisation's Declaration of the Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption.



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Our core purpose is to be a leading global fish and commercial cold storage company creating sustainable value and positively impacting the lives of all our stakeholders. The year has made it abundantly clear that how a business acts in relation to its people and other stakeholders, significantly influences its longer-term sustainability and success. I believe firmly that when these actions are sincere, this converts into the economic stimulus that every business needs to grow

Imraan Soomra (CEO)

1 INTRODUCTION

1.1 Who we are?

Incorporated in 1918 and listed on the Johannesburg (JSE) and Namibian (NSX) stock exchanges, Oceana Group is a global fishing company, and an important participant in the South African, Namibian and US fishing industries. We are ranked as one of the top 20 seafood companies in the world by market capitalisation. We employ 4 450 people globally, of whom 3 005 are directly employed and 1 445 are indirectly employed. Oceana is a black-owned company and a level 1 BBB-EE contributor.

1.2 What do we do?

Our core fishing business is the catching, procuring, processing, marketing and distribution of canned fish, fishmeal, fish oil, horse mackerel, hake, lobster and squid. The business includes midwater trawling (horse mackerel), deep-sea trawling (hake), and inshore fishing for pelagic fish (anchovy, gulf menhaden, red-eye herring and pilchard). In addition, we provide refrigerated warehouse facilities and logistical support services. This year we marketed and sold approximately 264 000 265 tonnes of fish and fish products to consumers across the consumer spectrum, in 46 countries within Africa, North America, Asia, Europe and Australia.

1.3 Our Purpose

Our core purpose is to be a leading global fish and commercial cold storage company creating sustainable value and positively impacting the lives of all our stakeholders

1.4 Our Mission Statement

To be a leading global fish protein company:

- Responsibly harvesting and procuring a diverse range of global marine resources.
- Promoting food security and job security by efficiently producing and marketing relevant products for global markets.
- Actively harnessing talent and developing the potential of all employees.

- Supporting diversity and empowerment.
- Investing in communities where we operate, there by consistently converting resources into shared value and providing superior.

2 ALIGNMENT OF OCEANA GROUP SUSTAINABILITY STRATEGY WITH THE UNGC

2.1 Principles and UN Sustainable Development Goals

The United Nations Sustainable Development Goals (UN SDGs) provide the best articulation of what sustainable value should look like, setting a clear long-term agenda to end poverty, protect the planet and ensure prosperity for all by 2030. Oceana’s culture is built around positively impacting lives and is committed to playing its role, as a private sector company, in the attainment of these SDGs. We continue to contribute to national and global developmental objectives by responsibly harvesting, procuring and processing a diverse range of global marine resources.

Sustainability is at the heart of our core purpose. It plays a crucial enabling role in relation to the three strategic value creation imperatives for our business. Oceana Group’s sustainability strategy focuses this effort in alignment with the global SDGs. Our sustainability focus areas continue to support the Group’s strategy by optimising the way we deliver value to society. Through our core business of responsibly harvesting, procuring and processing a diverse range of global marine resources, we are making a significant contribution to the UN SDGs, United Nations Global Compact and local development agendas, such as South Africa’s National Development Plan.

We have identified and prioritised five (5) SDGs, where we believe we can have the most meaningful impact. As a private sector company, we are committed to working alongside government, communities and other businesses to attain these goals.

Oceana continues to positively impact lives through the implementation of our sustainability strategy which is comprised our priority SDGs. These priority SDGs encompass economic growth, climate action, Ocean life as well as the fighting hunger and poverty.

The following is an elaboration of how our sustainability strategy is aligned with the SDGs:

We innovate for inclusive development by (SDG 8):

- Prioritising diversity at all levels
- Procuring from local, black-owned companies and
- Responding to inequalities within our business

We protect food security and sustain marine resources by (SDG 1 &14):

- Providing healthy, affordable food
- Fishing responsibly
- Tracking share data on fish stocks
- Supporting responsible by-catch management

We ensure resilience and environmental care by (SDG 13)

- Reducing our carbon and water footprint
- Reducing waste
- Managing air and effluent emissions
- Operating ethically

We respond to community needs by (SDG 1 & 2)

- Assisting with educational needs
- Assisting with food donations
- Seeking income-generating activities for CSI beneficiaries

We invest in our people by (SDG 8):

- Providing a safe and positive workplace
- Investing In training and leadership development
- Ensuring fair labour practices
- Respecting human rights

The graph below reflects alignment of Oceana’s strategic imperatives with its sustainability strategy.

GROUP STRATEGY AND SOCIAL PURPOSE

Our commitment to “positively impacting lives” grew beyond a purpose statement to become a rallying cry during the COVID-19 crisis. We believe it will play an increasingly important role as we navigate the uncertainty and change that lie ahead.

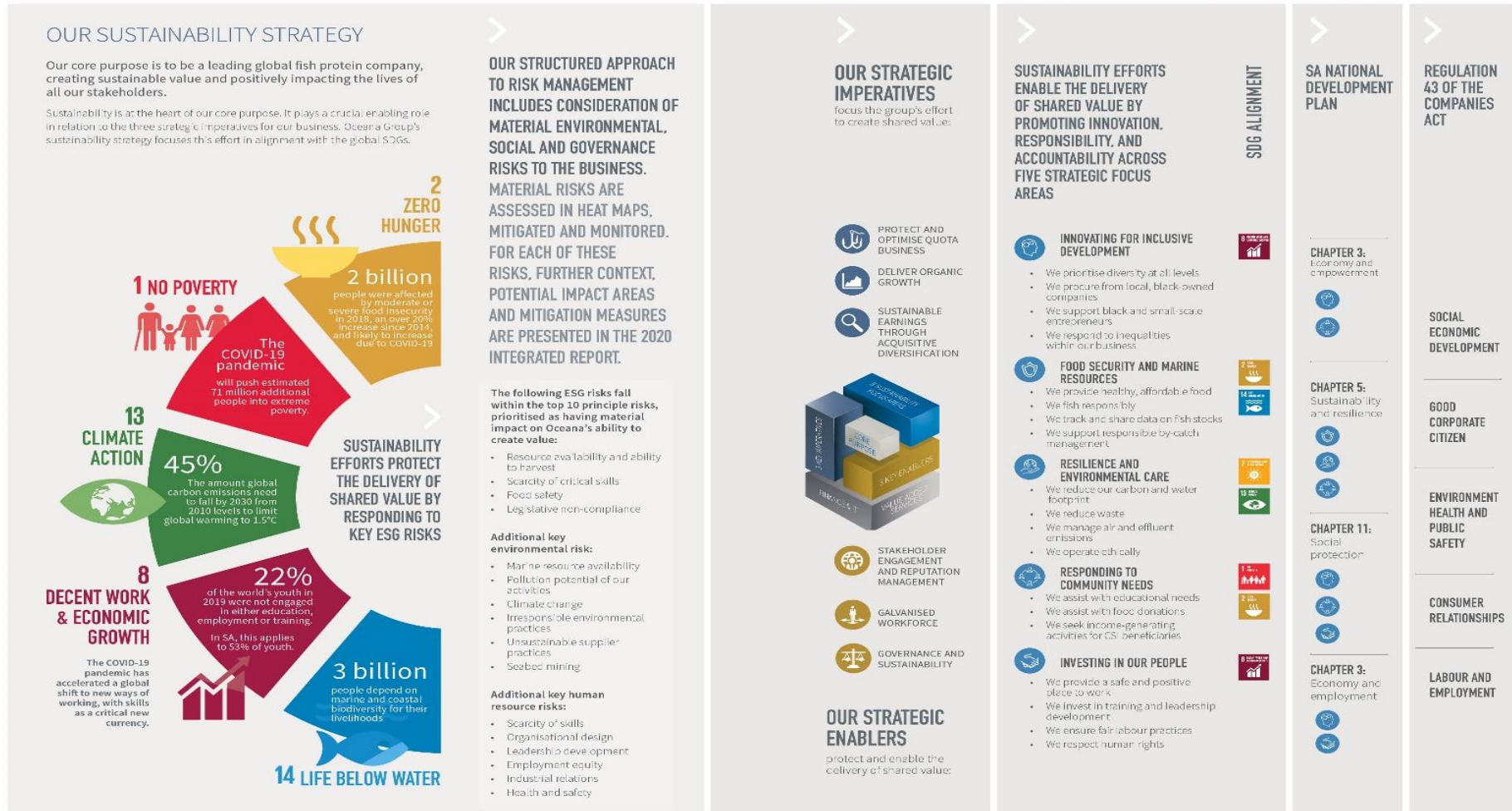


Figure 1: Alignment of strategic imperatives with Sustainability strategy

3 UNGC SELF-ASSESSMENT

Oceana Group utilised the Global Compact Self-Assessment tool to assess compliance with the UNGC principles. The table below reflects our compliance with the UNGC principles namely, management, human rights, environment, anti-corruption and labour.

The findings derived from the Global Self- Assessment tool are the basis upon which we implement a plan for continual improvement.

3.1 Assessment methodology

We undertake a bi-annual review of our compliance to the UNGC, including progress on action plans and programmes linked to the UNGC and SDG requirements. The UNGC self-assessment was undertaken by a UNGC working group consisting of representatives from human resources, environmental sustainability, supply chain, risk, governance and compliance. In completing the assessment, we fulfilled the compliance criteria for identified actions for closure, a responsible person and a timeframe. The compliance assessment is applicable to our operations in South Africa, Namibia and the United States of America.

The results of the assessment form the basis for this Communication of Progress report.

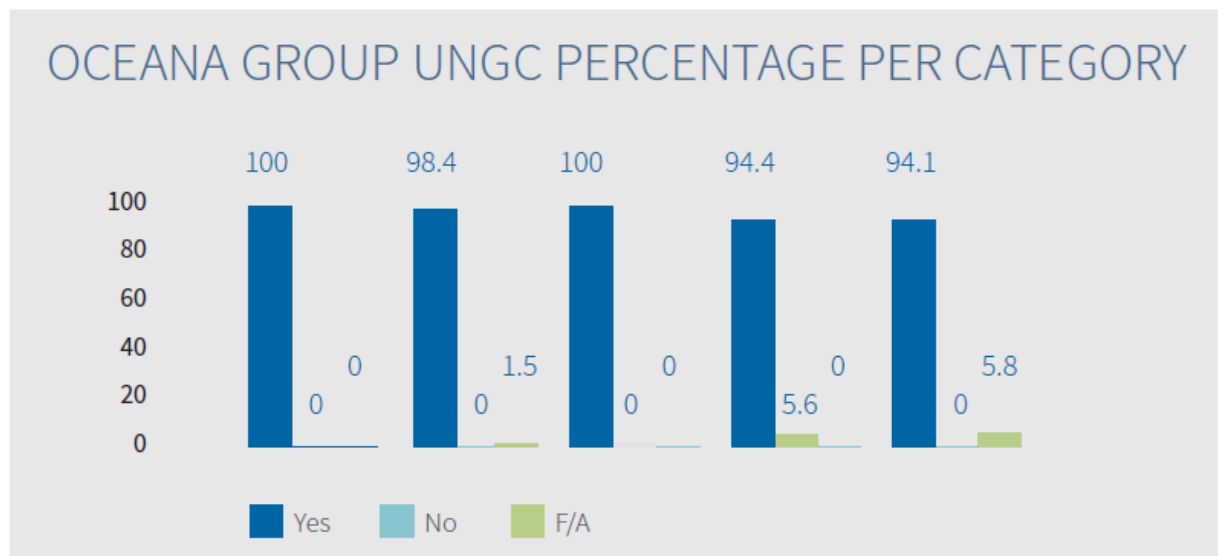


Figure 2: Oceana Group 2020 UNGC Self-Assessment Results

4 IMPLEMENTING THE 10 PRINCIPLES

4.1 Human Rights

Principle 1	respect the protection of internationally proclaimed human rights
Principle 2	ensure that the organisation is not complicit in human rights abuses

4.1.1 Policies in Support of our Commitment

The following policies have been put in place and communicated to employees in support of our commitment to protect and preserve human rights:

- Code of Conduct
- Health & Safety Policy
- Anti-bribery and Corruption Policy
- Compliance Policy
- Supplier Code of Conduct
- Employment Equity Policy

4.1.2 Measurement of Outcomes

The Oceana Group achieved a 2020 UNGC compliance self-assessment score of 98% for the human right category.

4.1.2.1 Health and Safety

Oceana's health and safety culture has been strengthened as a result of the disciplined adherence to extensive Covid-19 prevention measures implemented. Ongoing activities to mitigate the inherent health and safety risks associated with our land- and sea-based activities include safety monitoring, training and enforcement programmes, provision of relevant personal protective equipment and access to medical facilities, and periodic safety audits on all sites and vessels. The managing directors of all operating divisions are responsible for ensuring full compliance with relevant occupational health and safety legislation, and that the required structures are in place.

Despite Covid-19 related challenges, our commitment to ensuring safe working environments, especially for our seafarers, was maintained through continuous communication.

Compliance with the health and safety component of the external audits for all land-based facilities was 98% (2019: 97%) and 99% for all vessels (2019: 82%). In-house audits on our land-based facilities provide another level of assurance. Detailed audit results are provided on our website at www.oceana.co.za.

Health and safety training programmes include firefighting (all levels), first aid (all levels), safety handling of winches and lifting, competence in survival craft, GMP and HACCP, OHASA, pre-sea training, safety officer training, personal safety training and personal survival techniques.

At our land-based facilities we ran health and safety campaigns to make health and safety issues more prominent for employees. The number and severity of safety incidents recorded has remained low: the group's disabling injury frequency rate (DIFR) of 1 was once again the group margin ceiling of 1.5. There were no occupational fatalities this year.

4.1.2.2 Respecting Human Rights

Respect for human rights is an integral part of Oceana's code of ethics and values. Our human rights policy, which is applied across all our operations, ensures that the human rights principles and requirements associated with the United Nations Global Compact (UNGC) are implemented.

Oceana's organisational culture supports and respects local and internationally recognised human rights, including the principles of the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO core conventions on labour standards. We also enforce our human rights policy and a supplier code of conduct in the supply chain. Supplier contracts ensure against under-age or forced labour.

No incidents of under-age or forced labour were reported in FY2020.

Our commitment to respecting human rights is supported by the group's formal code of business conduct and ethics which commit all our employees to observe the highest ethical standards in conducting the group's business. We implement an anonymous and secure whistle-blowing facility to facilitate the confidential reporting of alleged incidents. This is available to all employees, contractors, stakeholders and community members to anonymously report suspected fraud, corruption and any form of irregularity and unethical behaviour. Its purpose and confidentiality are emphasised at employee induction and training sessions. The facility is also available in Namibia and the US.

This year we introduced a Whistle blower campaign, themed 'Blow the Whistle on Corruption', which actively encourage members of the public, company contractors, and employees to report any wrongdoing they come across within the Oceana Group, and by reporting it anonymously and safely, to help ensure an environment free of fraud, corruption and bribery.

Oceana Group has taken measures to ensure that security arrangements are aligned with the UNGC human right principles. To this effect, security risk assessments have been incorporated into the procurement of security services across the group to prevent human rights abuse.

There were no incidents of human rights contraventions reported or identified over the course of the FY2020 reporting period.

4.1.3 Continual Improvement Commitment

Oceana will continue to focus on imbedding the UNGC human rights requirements within our supply chain. The following reflects progress made against previous continuous improvement commitments:

Conducted a supplier sustainability assessment which evaluated our key suppliers' level of compliance to, among others, social policies including human rights, health and safety, working conditions and code of conduct.

Implemented a streamlined and data driven reporting system that will allow for consistent incident reporting across the group.

The following initiatives are proposed for implementation in the FY2021 reporting period:

- Develop a programme and action plan to audit the key supplier's compliance with the UNGC Human Rights Principles.

4.2 Labour

Principle 3	Businesses should uphold freedom of association & effective recognition of the right to collective bargaining
Principle 4	The elimination of all forms of forced and compulsory labour
Principle 5	The effective abolition of child labour
Principle 6	Eliminate discrimination in respect of employment and occupation

4.2.1 Policies in Support of our Commitment

The following policies are in place and have been communicated to employees:

- Employment Equity Policy
- Recruitment & Selection Policy
- Life Threatening Diseases Policy
- Employee Wellness Policy
- Ask Nelson Employee Assistance Programme Policy
- Code of Conduct
- Health & Safety Policy

- Compliance Policy
- Anti-bribery and Corruption Policy

4.2.2 Measurement of Outcomes

We invest in providing a stimulating, culturally diverse and healthy working environment with attractive opportunities for personal development. In managing the challenges presented by Covid-19 pandemic, we have realised opportunities to further entrench our culture of high performance, care and respect.

4.2.2.1 Health and Safety During COVID-19

This year our main health and safety management efforts were focused around COVID-19 mitigation. This focus was, however, not to the detriment of our business-as-usual health and safety obligation. Oceana's agility and resilience in managing Covid-19 related impacts across the business is testament to the quality of our people and the Group culture.

To address the challenges posed by COVID-19 we were quick to develop Group COVID-19 compliance policy and accompanying Standard Operating procedures in accordance with COVID-19 best practice guidelines. The adoption of health and safety protocols before lockdown began gave us an advantage in mitigating the impact of the pandemic on our operation while giving us an advantage in adopting the necessary behaviour changes among staff. We established two task teams to oversee activities and manage the unfolding risks and update our COVID-19 response strategy. The Covid-19 Exco task team, comprising senior management, IT and HR ensured measures were adapted across the Group and the Covid-19 Compliance task team focused on operational matters, and sharing lessons learnt between divisions. Our various operational divisions had working groups in place to manage through the crisis.

The following measures were successfully implemented across the group for COVID-19 mitigation:

- For frontline workers, we engaged medical doctors to assess vulnerable workers over the age of 60 or those showing signs of health risks, such as smokers or chronic health conditions. Emphasis was placed on ensuring workers were taking their medication.
- We introduced mandatory wearing of PPE masks in their early stages of the crisis.
- Social distancing measures including physical barriers and signage in works paces were established.
- Hand sanitisation and hygiene awareness initiatives were provided.

- Strict infection prevention protocols such as additional wash stations and hand sanitisers at every entry and exit of factories and hand sanitiser dispensers on vessels were put in place.
- Each vessel and land-based facility also has a Covid-19 champion that encourages daily safety adherence.
- On-site access for non-essential visitors or contractors was restricted, and biometrics access control systems were decommissioned to prevent touching.
- We revised shift patterns and activities to promote segregation of staff while working and travelling.
- We provided all frontline staff with transport to and from work to mitigate the risk of infection using public transport. We equipped these third-party transport vehicles with hand and surface sanitisers.
- Continuous awareness was encouraged through toolbox talks– daily briefings prior to starting work, emails and multi- lingual posters on notice boards.
- Training by service providers on Covid-19 protocols was delivered in small groups.
- Additional nursing staff, as well as mobile screening facilities, were provided at certain sites to support our healthcare workers.
- All medical staff completed training on Covid-19 procedures to ensure sustained compliance while operational sites undertook daily temperature checks and regular screening of workers. This enabled us to identify symptoms early and implement self-isolation for affected staff.
- We adopted private Covid-19 testing to ensure timeous access to results.
- In cases of a positive result, quarantine protocols were followed, and we deep cleaned the facilities, keeping workers updated throughout the process.
- Isolation and quarantine facilities were specifically provided for vessel crew prior to sailing to ensure they were Covid-free.

Oceana invested over R30 million in Covid-19 related health and safety measures. As a result of our vigilance and agility in responding to the pandemic through the various measures implemented at our facilities, Oceana was commended for implementing stringent Covid-19 protocols by the Department of Labour (DoL) and the Municipal Health Department.

4.2.2.2 Community Support During COVID-19

The breakout of the pandemic and the resultant lockdown restrictions had severe socio-economic implications for the livelihoods of small-scale fishers and communities surrounding our operations,

with disappearing markets impacting incomes and increasing food shortages and the prevalence of hunger. Oceana responded immediately and at scale to support efforts to combat the coronavirus and its impact on these people and their communities. With the need for COVID-19 related assistance growing far beyond these communities, Oceana heeded the call for help from diverse communities. We partnered with government and various organisation which provided the network that allowed our resources to get to those beyond our reach.

Oceana undertook the following to support communities during the COVID-19 pandemic:

In South Africa:

- We distributed 3 000 essential care packs, manufactured by local SMMEs, valued at R1.4 million to assist beneficiaries in vulnerable communities to stay safe and warm.
- On Women's Day we distributed 140 care packs to women, survivors of Gender Based Violence (GBV), in an informal settlement in Philippi; a local community.
- We partnered with the Women's Shelter Movement (WSM) to distribute 800 essential care packs to women in 17 shelters across the Western Cape (WC).
- We donated 500 essential care packs to the Health Foundation for distribution by the MEC of Health, MEC Nomafrench Mbonbo, to Covid-19 care facilities in the WC, with particular focus on communities along the Garden Route.
- We also donated 700 essential care packs to communities of Hout Bay, Khayelitsha and the Overberg areas of Kleinmond, Hawston, Stanford and Hermanus.
- Together with our NGO partner, we distributed 500 care packs to women in the communities of Lamberts Bay, Elands Bay and Doring Bay. This was done through our NGO partner, Rural I.
- We contributed R250 000 towards the One Million Masks distributing masks to organisations and care facilities in and around the Cape Town Metro.

In Namibia:

- We supplied 630 food parcels, to Oceana Group employees and families. The families of crew members who chose to remain onboard EME's horse mackerel freezer vessels, had their food parcels delivered to their homes.
- Erongo Marine Enterprises extended its food parcel project to vulnerable communities by purchasing 500 food parcels, through the Arechanab Community Trust.

Further donations to the value of over R3 million were provided to organisations such as Gift of the Givers Foundation, Rise Against Hunger and Peninsula School Feeding Association (PSFA). Chairperson of FishSA, Mr Loyiso Phantshwa, hailed Oceana for being at the forefront of efforts and said the food parcels had really helped vulnerable communities.

4.2.2.3 Skills development and training

This year we invested R61.1 million on employee skills development, building critical skills in such areas as marine science, vessel crewing, artisans, supply chain management, IT, finance, and food safety, quality and processing.

- We supported a variety of capacity building programmes in the West Coast (South Africa), including production technology learnerships for unemployed youth, management qualifications for 23 of our supervisors, Recognition of Prior Learning certificate for an electrical assistant, adult matric qualifications for eight employees, and dozens of internship and apprenticeship positions.
- We arranged FSSC ISO 22000 training for the Lucky Star cannery and capacity building training for small-scale fishers.
- We took on three refrigeration apprentices in CCS, one mechanical fitter in Amawandle.
- Learnerships for 56 deaf and disabled learners.
- Sponsored two learners from the Lawhill Maritime Centre at Simons Town school in South Africa to do maritime subjects at matric level.
- We took on board three of their students for apprenticeship programmes.

4.2.2.4 Building leadership capacity

We have strengthened the existing leadership skills across the Group. The custom designed Oceana leadership acceleration programme is designed to enhance leadership, strategic, adaptive and future fit skills. Introduced in September 2019, 27 senior managers, including Divisional Exco and key talent for succession planning, have completed the year-long training. The positive impact of the initiative has been evident both at an individual level and within teams.

We aim to embed the skills learnt, optimising the return on investment, through agile methodologies, such as temporary stretch assignments and multi-disciplinary teams to deliver on strategic projects.

This year we also delivered a Leadership Integration Programme at CCS to foster the thinking of accountability and responsibility amongst the workforce. We continue to implement a coaching

initiative across middle, senior and executive management, prioritising the development of black talent, to accelerate diversity in our managerial rank.

4.2.2.5 Promotion of employee wellbeing

During the Covid-19 crisis, we have seen a 4% usage of our EAP, where the workforce made use of various services offered. To promote increased utilisation, we plan to develop an integrated EAP and onsite primary health care offering, with a focus on mental, physical, and psychosocial wellbeing, supported by awareness campaigns. We will continue to increase our focus on mental wellbeing, supported by incorporating new KPIs on mental health/wellbeing into our 2021 strategy.

Recognising the critical importance of supporting the mental health and wellbeing of our employees, we rolled out various initiatives across our offices, plants and vessel operations to keep staff healthy, connected, and engaged. To support staff working from home, often under quite challenging circumstances, we introduced remote wellness initiatives using third-party service providers. These included offering regular online classes in mindfulness and meditation, emotional resilience, and courage and conviction. We partnered with Virgin Active to deliver online exercise classes and provided online muscular skeletal health sessions and guidance on how to create a healthier workspace at home.

We encouraged employees to make use of our employee assistance programme (EAP), which offers telephonic and online counselling sessions to help individuals cope with a range of personal challenges (health, financial and legal) that can impact their work performance and their family life.

The Oceana Group continues to monitor overtime worked to ensure alignment to the respective South African legislative requirements. In instances, due to the nature of our business, we have obtained exemptions from complying with the specific legislation from the Department of Labour. The application of these exemptions, and the compliance thereof, is continually monitored.

4.2.2.6 Positive employee relations

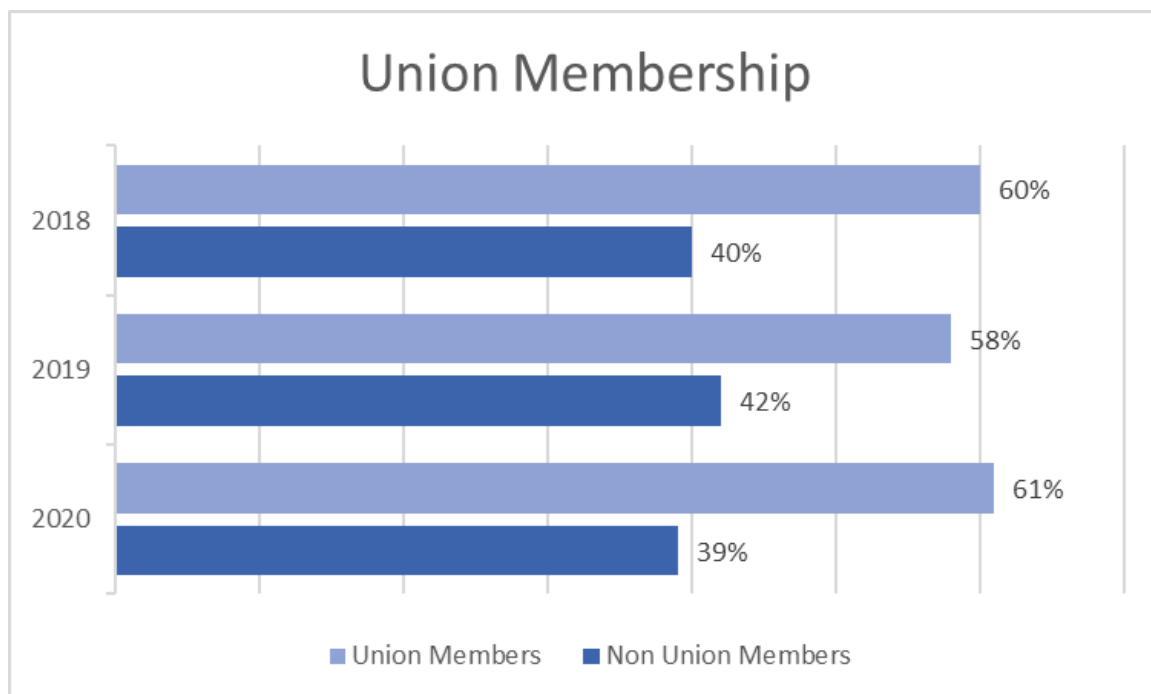
We take pride in the positive engagements and mutual respect and appreciation we nurture with our employees. The extensive support measures and communication we have maintained with our employees during the Covid-19 pandemic has strengthened levels of appreciation and trust among our employees. We introduced initiatives aimed at positioning our leadership as open, accessible, available and approachable, to make employees feel valued, validated, appreciated and motivated. This included a series of breakfast sessions, where a dozen operations staff at a site engage with the CEO. These sessions were taken online following the onset of the Covid-19 pandemic. In addition to internal newsletters, management meetings and personal interactions, we have defined structures such as consultative employee forums that meet regularly.

We believe that the quality of the relationship between management, employees and labour unions across our operations is reflected both by our low employee turnover rate of 9.6%. Of our employees, 61% are unionised, where we recognised the rights of various representative unions across the business. We endeavour to maintain constructive relationships with our union stakeholders.

4.2.2.7 Union membership

Several unions have recognition agreements with different companies within the group. Employees are not discouraged from joining unions. They are also not barred from participating in union related activities.

The graph below reflects the number of union and non-union staff member at Oceana.



4.2.3 Continual Improvement Commitment

In the coming year we will deliver a programme through GIBS for the advancement of the middle management tier. This will bring e-learning to workers and crew that are working in environments considered technologically challenged and aims to drive a step change in talent management and succession planning at this level.

The breakfast sessions were well received, and this prompted an extension of the initiative to the next financial year. In this extended version of the sessions, operation staff will be granted the opportunity to interact with MDs of The Oceana Group.

We firmly believe that our leadership development framework, consisting of in-house development modules, partnerships with business schools and a coaching offering will enable our next generation

of leaders to develop the change management capability required to undertake consolidation and expansion initiatives within the group.

4.3 Environment

Principle 7	Businesses should support a precautionary approach to environmental challenges
Principle 8	Undertake initiatives to promote greater environmental responsibility
Principle 9	Encourage the development and diffusion of environmentally friendly technologies

4.3.1 Policies in Support of our Commitment

The following policies are in place and have been communicated to employees:

- Code of Conduct
- Environmental Policy
- Compliance Policy

4.3.2 Measurement of Outcomes

The Oceana Group achieved a 2020 UNGC compliance self-assessment compliance score of 94%.

4.3.2.1 Environmental Risk Management

We assess our environmental risks and progress with mitigation measures twice a year. Our current top 10 risks and ranking – identified below – are in line with international trends.

- Marine resource availability Resource availability
- Pollution potential because of our activities Pollution
- Climate variation
- Irresponsible environmental management practices
- Unsustainable supplier practices
- Reputational management in terms of unsustainable practices
- Ocean mineral, gas and oil extraction (SA and Namibia)
- Access to sea water
- Carbon tax
- Access to portable water

4.3.2.2 Conserving water and reducing water pollution

Oceana implements various water reuse and reduction initiatives to support water conservation. We significantly reduce our reliance on potable water through desalination initiatives. In 2018, we constructed two desalination plants, at St Helena Bay and Laaiplek, which enable us to produce up to 1.4 million litres of potable water per day and contribute to the water security of neighbouring communities. We also have two reverse osmosis plants at our cold store facilities in Cape Town, and a stormwater runoff system, to cater for our facilities in the City of Cape Town. We continue to extract proteins and solids from our fish processing water (stick water) to enable its reuse and recover condensate and steam in the fishmeal plants for reuse in boilers.

Oceana Group's Water Resilience Plan continues to deliver in the group's mandate to conserve water and reduce the extraction of natural resources. In total, the plan has secured 349 672kl of water through the desalination plants in St Helena Bay and Laaiplek over the course of FY2020. This year's water usage per unit of activity increased to 0.39kℓ per ton of product produced or stored and handled, compared to 0.29kℓ in FY2019. This increase reflects the additional water used for COVID-19 hygiene requirements and to meet industrial food safety standards.

As part of our collective effort to manage water resources with the Berg-river catchment, we participate in the St Helena Bay Water quality trust. The aim of the trust is to mitigate and manage the water quality of the West Coast Peninsula and estuaries.

4.3.2.3 Climate change adaption

Environmental pressures influence our business in terms of both the production and consumption of our products. The United Nations Food and Agriculture Organisation report in 2018 indicates that climate change may lead to changes in the availability and trade of fish products. We have observed in our own target fisheries that when environmental conditions change, the resource moves to an area that is comfortable for them.

Climate variation features as one of our top three environmental risks at Group level and we continually develop our understanding and response to the potential effects on our business and value chain. Changing ocean and weather conditions are, over the long-term, difficult to predict and the group adopts a precautionary approach to manage these influences. This includes the inclusion of climate change impacts in divisional risk registers, participating in initiatives aimed at better understanding resource availability and distribution as well as the implementation of climate adaption and mitigation measures.

Our climate change risks and opportunities are detailed in Oceana's annual submission to the CDP Climate Change Programme. Following are highlights of our adaptation efforts:

- **Resource availability:** Oceana continues to undertake independent resource status research to better understand and mitigate the impact of climate change on biomass. We are collaborative partners with DEFF and other industry stakeholders in projects aimed at sustaining our resources.
- **Water supply:** Our two desalination plants on the West Coast and the two reverse osmosis plants at two of our CCS facilities remain the principal contributors to the absolute portable water reduction of 30% compared to the FY2018 reporting period.
- **Energy requirements:** In addition to our conversion to using low sulphur content fuels in our vessels, to reduce our sulphur emissions, Oceana has made progress in shifting towards decentralized energy generation. This year we have defined Group level carbon emissions and carbon neutrality targets and evaluated the feasibility of gas and other renewable energy options. For this purpose, an Energy Resilience Team has been established to develop and implement an energy resilience action plan.
- **Business continuity:** We ensure our business continuity plans are up to date in order to mitigate the risks of business interruption.

4.3.2.4 Fishing responsibly

Oceana Group has partnered with the Responsible Fisheries Alliance (RFA) to deliver training conducted by WWF to our seagoing employees on responsible fishing practices. The course ensures that participants are equipped with the skills needed to implement an ecosystem approach to fisheries and understand the significance of the marine ecosystems in sustainability and long-term societal value creation.

Our commitment to harvesting marine resources responsibly is based on the following practices:

Promoting responsible fishing practices across the supply chain by engaging with international suppliers and promoting awareness amongst all our seafaring staff.

Supporting an ecosystem approach to fisheries management by engaging with DEFF and industry bodies, funding research and participating in industry workshops.

Ensuring full legal compliance in our highly regulated operating environment.

Oceana has a zero-tolerance approach to illegal, unreported and unregulated (IUU) fishing, which undermines fish stocks, negatively impacts food security, and ultimately reduces social and economic opportunities.

While the majority (90%) of our harvested commercial fishing rights were on the South African Sustainable Seafood Initiative (SASSI) green list, the West Coast rock lobster (WCRL) fishery has been

red-listed for a number of years due to problems around IUU and the resource remains under threat, and the pilchard and horse mackerel species remain orange listed.

South African Commercial Fishing Rights	%	SASSI category
Anchovy (SA)	78.35	Green
Pilchard (SA)	5.10	Green
Deep-sea hake (SA)	10.3	Green
Horse mackerel (SA)	5.71	Orange
West coast rock lobster	0.08	Red
Squid	0.4	Green
South coast rock lobster	0.01	Green
TOTAL	100	

Figure 3: SASSI rating

The WCRL resource remains under threat due to problems around IUU and we continued our active engagement with stakeholders. We are an active stakeholder in the traceability taskforce to enhance the traceability of WCRL and will continue to work with DEFF, WWF and the industry to identify the most effective way of policing and managing the resource.

To mitigate our impact on local pilchard yields, we source 80% of our supply from pilchard fisheries in Morocco that have been undergoing a fisheries improvement project (FIP) since 2014. The FIP is in an advanced stage of progress where 71% of improvement actions have been completed and is expected to enter MSC full assessment. There was a marginal recovery in the local resource in South Africa with improved catches this year and the recruitment survey has indicated a significant increased amount of fish. This bodes well for the 2021 pilchard TAC. Our hake operations retained its MSC chain of custody certification.

The fish resource utilised at our Daybrook fishmeal facility is managed according to a state and industry endorsed Fisheries Management Plan (FMP). The goal of the Gulf menhaden FMP is to provide a management strategy that allows an annual maximum harvest, while ensuring the protection of the stock from overfishing.

IN FY2020 the Gulf menhaden retained its MSC certification, the best accreditation one can achieve for wild catch, making this fishery one of the few reduction fisheries in the world to be MSC certified.

The Namibian horse mackerel stock is managed primarily through a total allowable catch (TAC). Most of this is allocated to the mid-water trawl fishery, with a small proportion made available for value-added products (mainly through canning), in factories owned by purse seine operators.

According to the Namibian 2019 State of Stocks report submitted to the Ministry of Fisheries and Marine Resources (MFMR) the horse mackerel biomass was approximately 1.42 million tonnes in 2019 (an 11% decrease from the last assessment). The Namibian Cape horse mackerel are considered to be above Maximum Sustainable Yield (MSY) – a trend that is likely to be sustained for the next few years.

4.3.2.5 Food safety management

Food safety is the responsibility of everybody at Oceana, from the CEO level to the factory staff. Across the Group, food safety is of the highest importance and remains a top priority in securing the integrity of our product offering and enhancement of growth opportunities. The Oceana Group is committed to demonstrating leadership in ensuring the safety and integrity of all our products. In the 2020 financial year there were no incidents of critical non-conformances that required us to implement any type of product recall.

Oceana's food safety systems are founded on internationally recognised technical regulations and standards aimed at protecting public health. We meet the requirements of these technical regulations and standards administered in South Africa, Namibia and the US, as well as standards and principles of Codex Alimentarius and the International Organization for Standardization (ISO). In relation to fish meal and fish oil products, we use the World Organisation for Animal Health principles as the basis for animal health systems.

We conduct regular audits, inspections, surveillance and examinations of product designs, products, services, processes and processing plants, to determine their conformity with specific or general requirements. We uphold a zero-tolerance stance to any deviation from quality and safety specifications in place for our own operations as well as our suppliers. Our audit and inspection programmes focus on allergens and hazards - biological, chemical, physical and regulatory - that can occur if not controlled. Our group-wide, executive-level compliance structure oversees adherence to strict food and feed safety standards at all plant and vessel facilities. Oceana's food safety culture is continually promoted through awareness and annual food safety training.

We comply with several global compliance and food safety standards and regulations. Our principal accreditations are:

- We maintained Hazard Analysis and Critical Control Points principles (HACCP) certification across all our land-based facilities and vessels.

- Our hake operations retained Marine Stewardship Council (MSC) accreditation and British Retail Consortium (BRC) certification – an important accreditation for our European markets – with improved audit scores.
- We retained MSC accreditation for Gulf Menhaden resource, USA, and International Fishmeal and Fish Oil Organisation Responsible Supply (IFFO RS)-accreditation for 100% of fishmeal and fish oil operations.
- All our international suppliers are certified to a Global Food Safety Initiative (GFSI) recognised standard.
- All canned fish and fishery products sold by the Group are verified as safe to eat by the National Regulator for Compulsory Specification (NRCS).

4.3.2.6 Environmental Performance Targets

In committing to sustainable resource use and a reduced impact on the environment, we have set specific targets for energy and water consumption and the management of waste across the group. In line with our target to be carbon neutral by 2050, this year we defined Group level carbon emissions and carbon neutrality targets and evaluated the feasibility of gas and renewable energy options.

The table below provides an overview of performance against our medium-term targets which are aligned with the South African National Development Plan (NDP) and the United Nations Sustainable Development Goals (SDGs). It also reflects our performance against these targets.

NDP/SDG SUPPORTED	KEY PERFORMANCE AREA	TARGET	TARGET DATE	2020 PERFORMANCE AGAINST TARGETS
SDGs: 13,12	GHG EMISSIONS (SCOPE 1 AND 2)	2.5% product GHG emission intensity reduction year-on-year from 2018 to 2025	Sept 2025	Land-based facilities: 4.5% GHG emission intensity decrease when compared to FY2019 Vessels: 26% decrease in GHG emission intensity when compared to FY2019
		Develop and implement science based GHG reduction targets	2020	In FY2019 we undertook an investigation to determine science-based targets for the Oceana Group. The results were that we would need to implement intensity and absolute reduction targets of 2.5% per year. This is in line with our exiting target for GHG emission reduction. Completed
SDGs: 6, 14,	Water usage	5% – 10% product water usage intensity reduction	Sept 2020	31% product water usage intensity

NDP/SDG SUPPORTED	KEY PERFORMANCE AREA	TARGET	TARGET DATE	2020 PERFORMANCE AGAINST TARGETS
12	and disposal	from base year of 2018		reduction, from base year 2018 30% absolute potable water consumption reduction
SDGs: 15, 12	Waste disposal	Zero waste that is fit for human consumption directed to landfill	2020	Zero waste suitable for human consumption was directed to landfill.
SDG 14	Responsible harvesting	Contribute to ensuring the transition of red-listed commercial fish species to an orange-listing and transition orange-listed commercial fish species to green-listed	2025	Ongoing. Participating in the Horse Mackerel Conservation Improvement Project and working with DEFF, WWF and the industry to identify the most effective way of policing and managing the resource.
		All our targeted wild-caught fish resources will be sourced from fisheries that are undertaking an Industry and DEFF approved credible, time-bound improvement project, WWF-SASSI green-listed, or caught from MSC (or equivalent) certified fisheries	2025	90% of our targeted commercial fishing rights on the SASSI green list. Maintained MSC certification for our Hake operations and achieved MSC certification for Gulf menhaden. IFFO RS-accreditation retained for 100% (i.e. all five) of fishmeal and fish oil operations.

The graph below reflects the carbon emission reduction targets as approved by the Oceana Board.

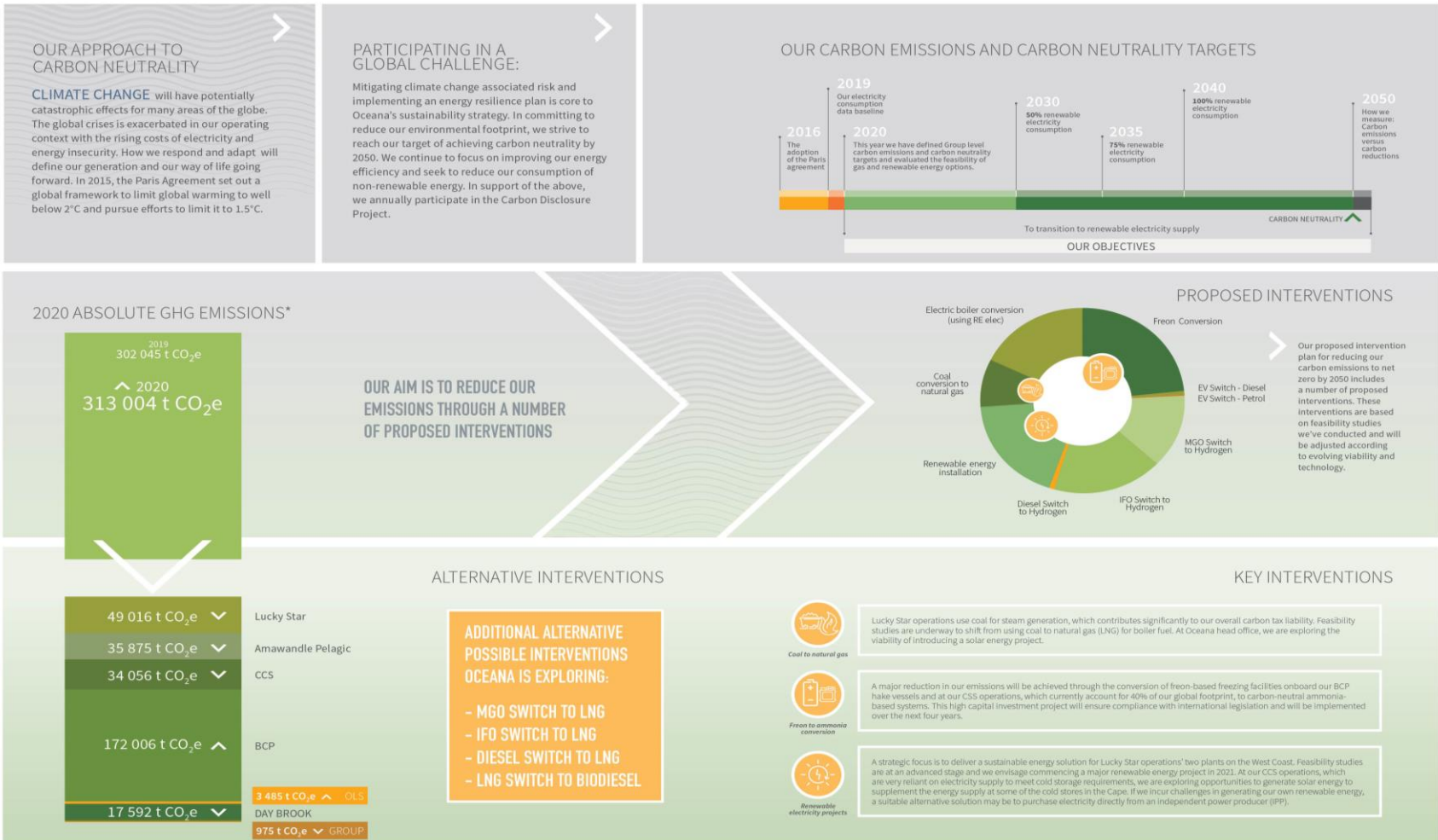


Figure 4: Oceana Group carbon emission reduction targets

4.3.3 Continual Improvement Commitment

Oceana has established carbon emission reduction and renewable energy targets in the prospect of achieving our carbon neutrality targets. Renewable energy projects are being investigated in order to meet our objective to achieve 50% renewable electricity consumption, against 2019 baseline, by the year 2030. The implementation of these projects will be focused on in 2021.

To assist in the response to the water risks faced by our operations, a water balance project has been scheduled for the coming financial year. This will aid in understanding water withdrawal, consumption and discharge pattern across the Group, and as a result inform our water conservation strategy.

4.4 Anti-corruption

Principle 10	Businesses should work against all forms of corruption, including extortion and bribery.
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4.4.1 Policies in Support of our Commitment

The following policies are in place and have been communicated to employees:

- Anti-bribery and Corruption Policy
- Compliance Policy
- BEE Procurement Policy
- Recruitment & Selection Policy
- Policy for selection & appointment of Directors
- Policy on Trading in Company Securities
- Human Rights policy and statement
- Global Anti-corruption and Bribery policy (supplement to the Anti-bribery and Corruption policy)
- Supplier Code of Conduct
- Business Code of Conduct and Ethics
- Fraud Policy

4.4.2 Measurement of Outcomes

The 2020 self-assessment resulted in a compliance score of 94% with the anti-corruption UNGC requirements. All eligible new employees continue to undergo comprehensive training on Competition Law, bribery and corruption as well as the Oceana Code of Conduct.

4.4.2.1 Zero tolerance to fraud and corruption

The group has a formal code of business conduct and ethics. An anonymous and secure whistleblowing facility has been in place for many years. Its purpose and anonymity are emphasised at employee induction and training sessions. The facility is also available in South Africa, Namibia and the United States. This year the Oceana Group launched a Whistleblowing campaign which served as a reminder of the mechanisms available to anonymously and safely report unethical behaviour to help ensure an environment free of fraud, corruption and bribery.

The table below reflects the call categories.

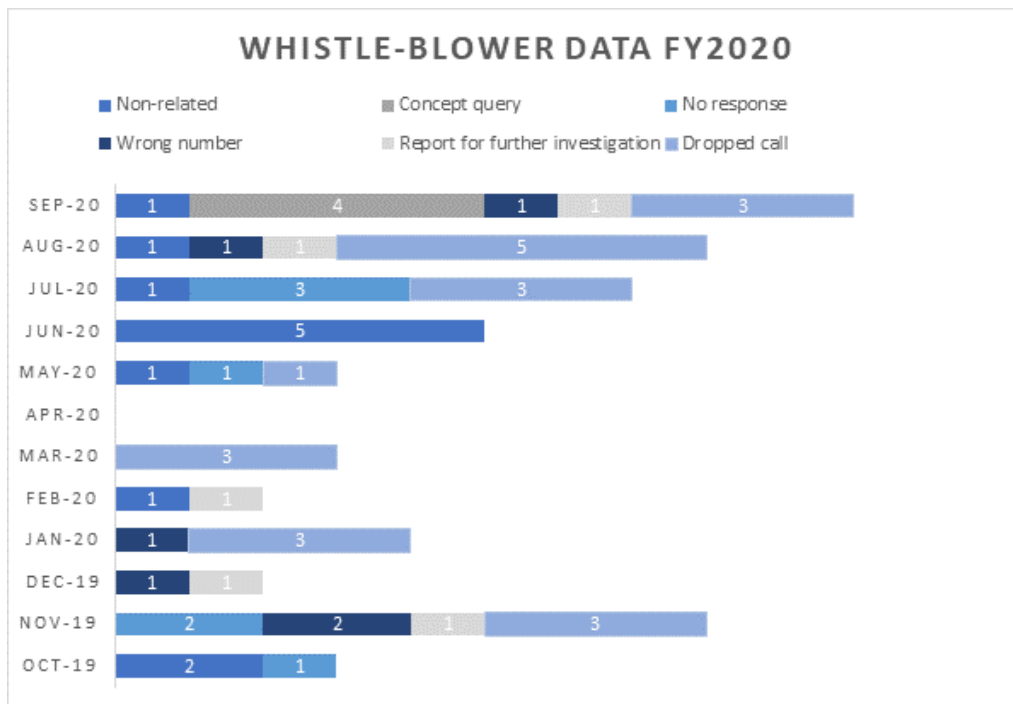


Figure 4: Whistle-blower data FY2020

4.4.3 Continual Improvement Commitment

Oceana will continue its efforts to combat corruption and bribery as stipulated in the measurement of outcomes above.

The focus areas for continual improvement include, increased and improved awareness on the Oceana anti-corruption policy and commitment and ensuring that our anti-corruption policy is communicated throughout to our supply chain.

14 December 2020