



*Premier Fishing & Brands Limited*

*The First Choice*



# **Sustainability Report**

for the year ended 2021

A proudly South African Fishing Company







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# INTRODUCTION

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE DATA TABLE (ESG)

ECONOMIC	UNIT OF MEASURE	2021	2020	2019
Total revenue generated	Rands	575 115 000	453 894 000	575 006 000
Total revenue generated in South Africa	Rands	148 600 000	113 316 000	95 722 000
Percentage of revenue generated in South Africa	%	25.80	23.80	16.60
Total revenue generated per employee	Rands	686 295	597 230	746 761
Net profit after tax generated in South Africa	Rands	3 350 000	6 386 000	58 448 000
Value of net profit after tax generated in South Africa	Rands	866 000	1 596 500	9 936 160
Percentage of net profit after tax generated in South Africa	%	26.90	25.00	17.00
Value of net profit after tax per employee	Rands	3 998	8 402	94 796
Value of total compensation paid to employees, including wages and benefits	Rands	155 804 000	114 907 000	96 190 000
Average compensation paid to employees, including wages and benefits	Rands	185 924	151 193	164 733
Percentage of total compensation paid to employees, including wages and benefits	%	100.00	100.00	100.00
Total rand value of compensation paid to executive directors - excluding gains realised from LTIP Awards	Rands	4 702 000	6 462 000	7 445 000
Average compensation per executive director - excluding gains on the exercise of share options	Rands	2 351 000	1 615 500	1 861 250
Income disparity ratio: average compensation paid to executive directors relative to average compensation paid to employees - excluding LTIP	%	12.60	21.00	19.90
Total rand value of gains realised from LTIP Awards - executive directors	Rands	0	0	0
Total rand value of compensation paid to executive directors - including gains realised from LTIP Awards	Rands	4 702 000	6 462 000	7 445 000
Average compensation per executive director - including 'gains realised from LTIP Awards'	Rands	2 351 000	1 615 500	1 861 250
Income disparity ratio: average compensation paid to executive directors relative to average compensation paid to employees - including LTIP	%	12.60	21.00	19.90
Total compensation paid to prescribed officers - excluding gains realised from LTIP Awards	Rands	0	0	0
Average compensation per executive director & prescribed officers - excluding gains realised on LTIP Awards	Rands	1 567 333	2 154 000	1 861 250
Income disparity ratio: average executive directors & prescribed officers compensation relative to average employee compensation - excluding LTIP	%	8.40	14.00	14.90
Average compensation per executive director & prescribed officers - including 'gains realised on share options and/or LTIP Awards'	Rands	1 567 333	2 154 000	1 861 250
Income disparity ratio: average executive directors & prescribed officers relative to average employee compensation - including LTIP	%	8.40	14.00	14.90
Ratio of net profit after tax per employee to average compensation per employee	%	0.00	0.10	0.80



Rand value of total discretionary/measured procurement spend (South Africa only)	Rands	128 374 502	89 324 885	179 120 090
Rand value of historically disadvantaged South African (HDSA) procurement spend (South Africa only)	Rands	82 683 040	108 431 918	165 057 462
HDSA procurement spend: percentage of total measured spend (South Africa only)	%	64.00	121.40	92.10
Rand value of total taxes paid, inclusive of VAT, income tax, royalties, rates & taxes, and all other payments to Government	Rands	57 789 969	11 044 000	38 828 000
Rand value of total taxes paid in South Africa	Rands	57 789 969	11 044 000	38 820 000
Percentage of Total Taxes Paid in South Africa	%	100.00	100.00	100.00
Rand value of dividends paid to shareholders	Rands	13 000 000	32 899 000	121 421 000
Rand value of funds invested in research and development	Rands	0	0	0
Rand value of retained earnings	Rands	188 323 000	211 172 000	250 470 000
Ratio of payments to employees relative to dividends paid to shareholders	%	12.00	4.40	0.80
Ratio of payments to Government relative to dividends paid to shareholders	%	4.40	0.40	0.30
Rand value of current assets - total	Rands	310 338 000	334 018 000	419 142 000
Rand value of current assets - in South Africa	Rands	310 338 000	334 018 000	419 142 000
Rand value of current liabilities - total	Rands	74 397 000	73 932 000	86 643 000
Rand value of current liabilities - in South Africa	Rands	74 397 000	73 932 000	86 643 000
Rand value of capital expenditures (Capex)	Rands	25 285 547	65 410 000	125 677 000
Rand value of share buybacks	Rands	0	0	0
Rand value of capital expenditures (Capex) - in South Africa	Rands	25 285 547	65 410 000	125 677 000

GOVERNANCE	UNIT OF MEASURE	2021	2020	2019
Board members	Number	9	10	11
Non-executive Board members	Number	7	8	8
Number of executive Board members	Number	2	2	3
Percentage of Board members who are deemed non-executive	%	77.80	80.00	72.70
Prescribed Officers; persons who are not already counted as "Executives"	Number	1	1	1
Independent Board members	Number	5	9	5
HDSA Board members	Number	9	10	11
Percentage of Board members who are deemed Independent	%	55.60	90.00	45.50
Number of Board members who are women	Number	4	4	3
Percentage of Board members who are women	%	44.40	40.00	27.30
Average length of executive directors' service	Years	1.70	0.70	3.00
Average length of non-executive directors' service	Years	4.10	0.70	4.00
Average length of executive and non-executive directors' service (full Board)	Years	3.70	2.70	4.00



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Average age of directors	Years	52.90	53.00	52.60
Overall Board and Committee meeting attendance	%	93.80	80.50	69.40
Name of External Auditor	Name	Thawt Inc. and Crowe JHB	Thawt Inc. and Crowe JHB	BDO South Africa Inc.
Auditor remuneration: % of non-audit fees	%	0.00	0.00	0.00
Length of current auditor's service	Years	2.00	1.00	22.00
Independence of Board chairman	Yes/No	No	Yes	Yes
Publicly available policy on Board Conflicts of Interest & Politically exposed persons (PEP)	Yes/No	Yes	No	No
Public disclosure on any/all Board member conflicts of interest	Yes/No	Yes	No	No
Public disclosure on any/all Board member politically exposed persons (PEP)	Yes/No	Yes		
Publicly available climate-related financial disclosures, as per TCFD*	Yes/No	No	No	No
Publicly available human rights policy	Yes/No	No	No	No
ESG included into service level agreements with suppliers	Yes/No	Yes	No	No
Formally audit suppliers and contractors for ESG compliance (including human rights)	Yes/No	No		
Shareholders' non-binding vote on executive remuneration	Yes/No/Partial	Yes	Yes	Yes
Shareholders' vote on sustainability-related resolutions, and are the votes binding?	Yes/No/Partial	No		
Publicly disclose voting record on sustainability-related resolutions and are the votes binding?	Yes/No/Partial	No	No	No
Executive remuneration linked to ESG	Yes/No	No	No	No

\* HDSA – Historically disadvantaged South Africans

\* PEP – Politically exposed persons

\* TCFD – Task Force on Climate-related Financial Disclosures

PRODUCTION	UNIT OF MEASURE	2021	2020	2019
<b>Outcomes of activities</b>				
Total quantity of fish sold	Tonnes	23 188	20 596	19 435
Total quantity of cultivated abalone sold	Tonnes	94	43	53
<b>Lobster (South Coast Rock Lobster)</b>				
Total allowable catch (TAC)	Tonnes	359	316	331
Premier Fishing's share	Tonnes	135	127	129
Percentage of allocated quota caught	%	106.00	105.00	90.00
Sales volumes	Tonnes	143	105	136
Number of vessels wholly-owned	Number	3	4	4
Number of lobster facilities	Number	1	1	1



<b>Lobster (West Coast Rock Lobster)</b>				
Total allowable catch (TAC)	Tonnes	837	1 084	1 084
Premier Fishing's share	Tonnes	27	35	35
Percentage of allocated quota caught	%	100.00	100.00	100.00
Contracted quota acquired	Tonnes	54	54	54
Percentage of contracted quota processed	%	100.00	100.00	100.00
<b>Sales Volumes</b>				
Live lobster	Tonnes	63	60	74
Whole frozen lobster	Tonnes	9	11	4
Number of vessels wholly-owned	Number	1	2	2
Number of lobster facilities	Number	1	1	1
<b>Pelagic – Pilchards</b>				
Total allowable catch (TAC)	MTonnes	15 100	32 000	4 750
Premier Fishing's share	MTonnes	1 121	2 376	910
Percentage of allocated quota caught	%	105.00	29.00	0.00
Sales volumes	MTonnes	1 174	403	816
<b>Pelagic – Anchovy</b>				
Total allowable catch (TAC)	MTonnes	16 008	22 233	22 097
Percentage of allocated quota caught	%	84.00	74.00	61.00
Sales volumes	MTonnes	13 370	15 942	11 983
Number of vessels wholly-owned/co-owned	Number	3	4	4
<b>Squid</b>				
Squid caught	Tonnes	2 193	971	1 896
Sales volumes	Tonnes	2 170	1 014	2 206
Number of vessels wholly-owned/co-owned	Number	21	21	21
Number of processing plants	Number	1	1	1
<b>Abalone</b>				
Holdings	Tonnes	260	229	161
Total live equivalents processed	Tonnes	18	70	93
<b>Abalone sales volumes</b>				
Live abalone	Tonnes	28	36	36
Canned abalone (24 cans per carton)	Cartons	139	93	114
Number of abalone facilities	Number	1	1	1
Total area owned	ha	6	6	6
Total area leased	ha	4	4	4
Total area utilised for cultivating	ha	4	4	4



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<b>Hake</b>				
Total allowable catch (TAC)	Tonnes	139 109	122 529	122 431
Premier Fishing's share	Tonnes	691	691	692
Percentage of allocated quota caught	%	100.00	100.00	100.00
<b>Seagro</b>				
Sales volumes	Litres	202 408	158 392	144 272
Number of facilities	Number	1	1	1
<b>Processing and Marketing</b>				
Contracted West Coast Rock Lobster sold	Tonnes	45	50	54
Contracted wild abalone acquired	Tonnes	18	21	4
Total contracted wild abalone processed	Tonnes	18	21	1
Sales volumes – wild abalone	CarTonnes	83	357	600
Sales volumes – frozen abalone	Tonnes	1	0	0

<b>HUMAN CAPITAL/LABOUR</b>	<b>UNIT OF MEASURE</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Number of employees	Number	494	747	770
Number of seasonal employees	Number	344	0	0
Number of contractors	Number	0	13	0
Total number of employees	Number	838	760	770
Management (top and senior) deemed HDSA	%	13.00	11.00	7.50
Management (top and senior) who are women	%	15.00	36.00	16.00
Employees who are deemed HDSA (South Africa only)	%	94.00	97.00	92.00
Employees who are women	%	14.80	43.15	33.00
Employees who are permanent	%	59.00	100.00	100.00
Number of employees who are deemed disabled	Number	6	0	0
Employees who belong to a Trade Union	%	0	0	0
Total number of employee terminations	%	117	39	
Employee turnover rate	%	14.00	4.40	
Person hours worked (PHW) - Reported	Number	1 546 992		
Number of employees trained	Number	175	5	261
Number of training interventions	Number	37	0	0
Percentage of training spend in South Africa	%	100.00	100.00	100.00
Rand value of employee training expenditure	Rands	2 780 802	659 000	1 212 000
Percentage of training spend in South Africa	%	100.00	100.00	100.00
Total number of person days lost due to industrial action	Number	0	0	0

HEALTH AND SAFETY	UNIT OF MEASURE	2021	2020	2019
Total number of fatalities	Number	0	0	0
Total number of lost time injuries (LTIs i.e. injuries on duty leading to at least one lost day)	Number	30	7	
Total number of medical treatment cases (MTCs i.e. injuries on duty leading to medical treatment but no days lost)	Number	3	1	
Total number of first aid cases (FACs i.e. injuries on duty leading to minor treatments such as plasters or pain tablets)	Number	91	38	
Total number of recordable injuries (RIs)	Number	33	8	
Fatal injury frequency rate	Number	0.00	0.00	
Lost time injury frequency rate	Number	3.88	1.60	
Total recordable injury frequency rate	Number	4.27	1.80	
LTIFR and/or TRIFR target	Number	0.00	0.00	
Total number of employees contractors receiving HIV/AIDS voluntary counselling and testing	Number	85	0	
Total number of employees and contractors tested for HIV/AIDS	Number	0	0	
<b>COVID-19</b>				
Number of COVID-19 certificate of fitness assessment conducted	Number	7		
Number of positive COVID-19 test results	Number	67		
Number of general COVID-19 tests conducted	Number	274		
Number of PCR tests (known)	Number	3		
Number of Antigen tests (estimated)	Number	97		
Days lost due to COVID-19 positive cases	Number	264		
Number of repeat positive cases	Number	4		
Number of hospitalisations in Company owned hospitals	Number	0	0	
Number of recovered positive cases	Number	64		
Number of outstanding positive cases	Number	0		
Number of COVID-19 related deaths	Number	1	1	N/A
COVID-19 recovery rate (total number of recoveries/total number of positive cases)	%	96.00		
COVID-19 mortality rate	%	1.49		
Rand value of investments in COVID-19 avoidance, mitigation and treatment	Rands	409 079		
Has a commitment been made to Company sponsored vaccines	Yes/No	No	No	
Were vaccines provided in the 12 months to 31 March 2021	Yes/No	No	No	
Are vaccines provided for employees	Yes/No	No	No	
Are vaccines provided for family members	Yes/No	No	No	
Are vaccines provided for others	Yes/No	No	No	



# INTRODUCTION

ENVIRONMENTAL	UNIT OF MEASURE	2021	2020	2019
Total petrol consumption	Litres	5 000		
Total diesel consumption	Litres	2 191 457		
Total Direct Energy Consumption – i.e., from non-renewable fuels burned (e.g., diesel, petrol, etc.)	GJ	83 446		
Volume of electricity purchased	MWh	7 497	6 497	2 229
Total volume of electricity self-generated from solar, wind or other sources	MWh	9	9	0
Total volume of electricity consumed – purchased + self-generated	kWh/PHW	7 506	6 506	2 229
Electricity efficiency	kWh/PHW	4.85		
Total Indirect Energy Consumption from electricity consumed (Gigajoules, GJ)	GJ	27 022		
Total Direct and Indirect energy consumption (all sources)	GJ	110 468		
Does the Company report a target for electricity consumption, or reductions, against a specific denominator (e.g. per PHW)	Yes/No	Yes	Yes	Yes
Does the Company report a target for total energy consumption or reductions, against a specific denominator (e.g. per PHW)	Yes/No	Yes	Yes	Yes
Total Carbon Emissions (Tonnes TCO <sub>2</sub> e) - Scope 1	TCO <sub>2</sub> e	5 517		
Carbon Emissions (Tonnes TCO <sub>2</sub> e) – Scope 2	TCO <sub>2</sub> e	8 097		
Total carbon emissions (Tonnes of carbon dioxide equivalents, Co <sub>2</sub> e) – Reported	TCO <sub>2</sub> e	13 614		
Carbon efficiency – Kilograms of Co <sub>2</sub> e per person hours worked	kgCO <sub>2</sub> e/PHW	8.80		
Does the Company report a target for carbon emissions, or reduction, against a specific denominator (e.g. per PHW)	Yes/No	No		
Total volume of water consumed	m <sup>3</sup>	45 913		
Water efficiency: Average volume of Water consumed per person hour worked	l/PHW	30		
Does the Company report a target for water consumption, or reduction, against a specific denominator (e.g. per PHW)	Yes/No	No	No	No
Total volume of non-hazardous waste sent to landfill	Tonnes	0		
Average volume of non-hazardous waste per person hour worked	Tonnes/PHW	0		
Total volume of hazardous waste sent to appropriate disposal sites	Tonnes	0		
Percentage of waste disposed of that is sent for recycling - Tonnes	Tonnes	0		
Investments in projects to improve water efficiency	Rands	0		
Rand value of carbon tax paid	Rands	0		
Rand value of expenditure on climate change mitigation	Rands	0		
Total number of environmental incidents (Level 1, 2 and/or 3)	Number	0		
Total number of environmental fines and/or non-compliances	Number	0		
Total number of environmental complaints	Number	0		

Direct energy fuel consumption requirements within Premier is limited to the burning of fossil fuels (i.e., diesel), with no opportunity currently available to pivot using renewable energy sources.

CORPORATE SOCIAL INVESTMENT (CSI)/SOCIO-ECONOMIC DEVELOPMENT (SED) AND ENTERPRISE DEVELOPMENT (ED) EXPENDITURES	UNIT OF MEASURE	2021	2020	2019
<b>CSI/SED</b>				
CSI/SED spend on education	Rands	399 999	449 460	
CSI/SED spend on skills development, including Adult Education and Training (AET)	Rands	2 969 775	0	
CSI/SED spend on health, including HIV/AIDS	Rands	1 217 675	0	
CSI/SED spend on basic needs and social development, including nutrition/feeding projects	Rands	*542 728	623 739	
CSI/SED spend on infrastructure development	Rands	0	0	
CSI/SED spend on arts, sports and culture	Rands	0	5 000	
CSI/SED spend on other	Rands	*136 714	0	
Are CSI/SED projects aligned to Government's National Development Plan?	Yes/No	Yes	Yes	Yes
<b>Enterprise Development</b>				
Rand value of ED spend	Rands	4 284 746	9 026 000	

\*The figure of R679 442 in the Integrated Report only covers social development, nutrition and other and does not include education, health and skills development. The total figure for CSI/SED in South Africa is R5 266 891.

The process of data gathering and coalition from the operations is undergoing a process of continuous improvement. This will result in more data, thus higher volumes for electricity and water consumption indicators



# INTRODUCTION

## ABOUT THIS REPORT

This is the first year that Premier Fishing & Brands Ltd ("PFB", "the Company" or "the Group") has chosen to produce a Sustainability Report in support of our Integrated Annual Report.

This report aims to clearly and concisely inform our stakeholders, including providers of financial capital, stakeholders and future shareholders of PFB of our investments across the various divisions within PFB.

The content of the Sustainability Report has been informed by the following:

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

Our report is informed by:

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

## SUSTAINABLE DEVELOPMENT GOALS (SDGs)

We have prioritised the following capitals with the SDGs that are relevant and aligned with our strategy:



## STATEMENT OF RESPONSIBILITY

The Board of directors of PFB ("the Board") is ultimately responsible for sustainability. It has tasked the Social, Ethics and Transformation Committee to monitor, manage and report to the Board on sustainability matters.

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

## ASSURANCE

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











# ABOUT PREMIER FISHING AND BRANDS LTD

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*Business profile*

*Our business model*

*Our value chain*

*Geographic footprint*

*Our organisational structure*

*Vision*

*Our mission statement*

*Strategy*

*Our stakeholder engagement*

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# ABOUT PREMIER FISHING AND BRANDS LTD

## BUSINESS PROFILE

Premier is a fishing and aquaculture Group that has existed since 1952. Premier listed on the Johannesburg Stock Exchange (JSE) on 3 March 2017.

Premier is one of the largest black-owned and managed fishing companies in South Africa.

The Group is predominantly involved in commercial fishing, fish processing, and its products' marketing. This includes sustainable aquaculture through our abalone farm and the manufacturing of Seagro, an environmentally-friendly fertiliser.

Our diversified product range includes lobster, squid, abalone, pelagic fish (pilchards, anchovy, red-eye etc), hake (deep sea and longline) and horse mackerel.

We own factories, facilities, and fishing vessels, operating over two South African provinces and employ over 800 people. Most of our people employed are located in the impoverished fishing communities in which we operate, thereby creating much needed employment opportunities.







# OUR BUSINESS MODEL

Our business model is the mechanism in which we deploy our capitals inputs along the various phases of our value chain. Our primary value chain ensures that we convert capital inputs into core value-added outcomes that are beneficial to all our stakeholders.



*"Our business units and operations are lean, aligned and arranged by function to ensure high productivity, cost and operational efficiencies with quick decision making processes".*

## OUR EXTERNAL ENVIRONMENT

## KEY ENABLERS

- Optimal organisational structure and capable employees
- Diverse fisheries portfolio which can be leveraged to drive growth
- Optimal capital structure to fund expansions and acquisitions
- Collaboration with other fishing companies, small-quota holders and abalone farmers to drive growth

## COLD STORAGE AND DISTRIBUTION

- Use of cold storage space through our HACCP-approved cold-store facilities

## BRANDING, SALES AND MARKETING

- Value-added services

## FINANCIAL VALUE MATRIX

### Income stream

- Income is generated from the sale of harvested and cultivated marine products
- Cold storage and distribution
- Interest received on cash balances

### EXPENSES

#### To maintain value

- Our main expenditure is incurred during the catching and harvesting of marine products, which includes wages, diesel, maintenance, packaging, electricity, etc.
- We are legally obliged to pay direct and indirect taxes to SARS

#### To expand value

- Capital expenditure
- Marketing

## OUR OUTPUTS



**Live and frozen lobster**



**Frozen hake**



**Frozen squid**



**Pelagic fish**



**Live, frozen and canned abalone**



**Bottled Seagrow fertiliser**



### Regulatory

- Allocation of fishing rights
- Compliance with legislation

### Macro-economic

- South African Rand/US Dollar exchange rate
- Global economic growth rate

### Operating

- Catch rates
- Cash flow management
- Availability of critical skills
- Climate change and weather

# OUR VALUE CHAIN

## FISHING VALUE CHAIN

### Natural resource (marine resources) catching and procurement of lobster, squid, hake and small pelagics

1. Our fishing vessels are efficiently utilised to harvest and land allocated quota in the form of either live or frozen fish.
2. Through maintaining strong relationships with quota holders, we procure stock from third party quota holders.

### Processing

1. Live fish is landed in oxygenated seawater tanks, stored, purged and prepared for export.
2. Whole frozen and lobster tails are processed for the export market.
3. Lobster is graded according to size and packed in our branded boxes for the export market.
4. Raw small pelagics are delivered to our customer factory for processing.

### Outputs

Live lobster  
Frozen lobster tails  
Frozen whole lobster  
Frozen lobster heads  
Frozen squid  
Frozen hake  
Pilchards  
Anchovy

## AQUACULTURE VALUE CHAIN

### Breeding and procurement

1. We utilise scientific methods to induce the breeding of male and female abalone in order to produce spat.
2. Through maintaining strong relationships with other abalone farmers, we procure additional spat when the need arises.

### Breeding and procurement

1. The best quality feed is procured and fed to our animals.
2. We continuously monitor the size of the animals until they reach a size preferred by the market.
3. We harvest abalone as live animals, process these at our own facility and package them in our branded boxes for the export market.
4. We harvest abalone as live product and outsource the processing for canned and dried abalone for the export market.

### Outputs

Live abalone  
Canned abalone  
Dried abalone  
Frozen abalone

## FERTILISER VALUE CHAIN

### Procurement

1. Through maintaining a strong relationship with other fishing companies, we are able to procure fish concentrate (a by-product of the fishmeal process) from them.

### Processing

1. We utilise our plant facilities and skills to process the fish concentrate to liquid fertiliser (Seagro).
2. The liquid fertiliser is packaged and branded in our bottles.

### Output

Liquid Seagro fertiliser

## Branding, Sales and Marketing

Our experienced and skilled marketing team sells our high-quality products at competitive market prices.

Income is generated from processing, marketing and selling third-party quota holder's fish.

Income is generated from hiring out part of our cold storage facilities to third parties.

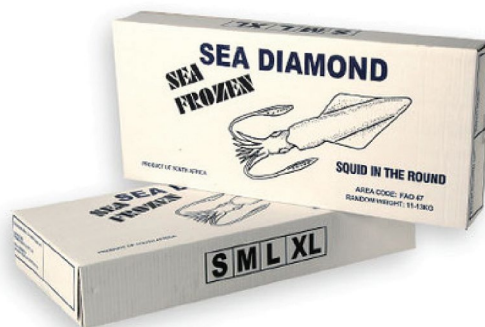
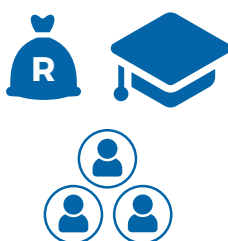
Income is also generated from catching third-party quota.

### Key Capitals

Financial Capital

Intellectual Capital

Social & Relationship Capital



## Branding, Sales and Marketing

Our experienced and skilled marketing team sells our high-quality products at competitive market prices.

### Key Capitals

Financial Capitals

Intellectual Capitals



## Branding, Sales and Marketing

Our experienced and skilled marketing team sells our high-quality products at competitive market prices.

### Key Capitals

Financial Capital

Social & Relationship Capital





# GEOGRAPHIC FOOTPRINT

## SOUTH AFRICA

We operate in the Western and Eastern Cape Provinces. The fishing grounds from which we harvest marine resources stretch from Lambert's Bay in the Western Cape to Port Elizabeth in the Eastern Cape. Our aquaculture operation is based in the Overberg region of the Western Cape.



**SOUTH COAST ROCK LOBSTER, COLD STORAGE** – V&A WATERFRONT, CAPE TOWN, WESTERN CAPE

**WEST COAST ROCK LOBSTER** – HOUT BAY HARBOUR, WESTERN CAPE

**HAKE, HORSE MACKEREL SALES AND MARKETING** – CAPE TOWN, WESTERN CAPE

**SEAGRO, PILCHARDS AND ANCHOVY** – SALDANHA BAY HARBOUR, WESTERN CAPE

**CULTIVATED ABALONE** – GANSBAAI HARBOUR, WESTERN CAPE

**SQUID AND COLD STORAGE** – PORT ELIZABETH, HUMANSDORP, EASTERN CAPE

## OUR GLOBAL BRANDS





# OUR ORGANISATIONAL STRUCTURE



*Premier Fishing & Brands Limited*

## PREMIER FISHING SA (PTY) LTD (PREMIER FISHING SA)

**100%**



*Premier Fishing & Brands*  
The First Choice

Premier Fishing SA is the catching and processing business unit of the Group. Premier Fishing SA owns medium- to long-term fishing rights for South Coast rock lobster ("SCRL"), West Coast rock lobster ("WCRL"), small pelagics (pilchards and anchovy), hake trawl, hake inshore, squid, large pelagics.

## PREMFRESH SEAFOOD SA (PTY) LTD (PREMFRESH)

**100%**



Premfresh is the sales and marketing business unit of the Group and a owned subsidiary of Premier Fishing SA. Premfresh has an experienced marketing team with more than 30 years' combined experience in the marketing of fish and fish-related products, and conducts the sales of all of the Group's products. Premfresh also provides sales and marketing services to outside small quota holders.

## TALHADO FISHING ENTERPRISES (PTY) LTD (TALHADO)

**50.3%**



Talhado undertakes the catching, processing and marketing of squid with both sea and land-based freezing facilities. With our stake in Talhado, the Group is the biggest squid player in the squid industry.

## MARINE GROWERS (PTY) LTD (MARINE GROWERS)

**100%**



Marine Growers  
(Pty) Ltd

Marine Growers is a 100% owned subsidiary of Premier Fishing SA and is the aquaculture business unit of the Group, based in Gansbaai. Marine Growers owns an abalone farm that cultivates abalone for the export market. South African abalone (*Haliotis midae*) is highly sought-after internationally, particularly in the Asian market.





### South Coast Rock Lobster

Processing plant and location: **1 PLANT, V&A WATERFRONT**

Quota managed

Market: **UNITED STATES OF AMERICA**



### West Coast Rock Lobster

Processing plant and location: **1 PLANT, HOUT BAY**

Quota managed

Market: **CHINA, HONG KONG, JAPAN**



### Squid

Processing plant and location: **HUMANSDORP**

Effort based

Market: **EUROPE**



### Pilchards and Anchovy

Quota managed

Market: **SOUTH AFRICA**



### Hake

Quota managed

Joint venture with Blue Continents Products (BCP)

Market: **EUROPE**



### Seagro

Processing plant and location: **SALDANHA BAY**

Market: **SOUTH AFRICA**



### Cold Storage

Processing plant and location: **1 COLD STORE, V&A WATERFRONT**

Market: **SOUTH AFRICA**



### Squid

Processing plant and location: **PORT ELIZABETH**

Quota size and managed kilograms: **TOTAL ALLOWABLE EFFORT**

Market: **EUROPE AND JAPAN**



### Atlantic Abalone

Owned and leased land area: **9 HECTARES**

Processing plant and location: **1 LIVE PACK FACILITY, GANSBAAI HARBOUR**

Yearly production output kilograms: **INCREASED TO 260 TONS IN 2021 FINANCIAL YEAR**

Market: **CHINA, HONG KONG, TAIWAN**

*Note: Squid vessels – 3 owned and 1 part-owned*



# ABOUT PREMIER FISHING AND BRANDS LTD

## VISION

Our vision is to be the first choice in everything we do, and with our stakeholders.

# The First Choice

## MISSION STATEMENT

*Is to be a vertically integrated empowered marine business using ethical and sustainable practices to grow and harvest marine resources in a manner which will provide superior and sustainable returns to our stakeholders.*

## STRATEGY

Our long-term value creation ambitions are framed around and governed by pursuing our strategic vision.

### PURPOSE

To be a pre-eminent vertically integrated empowered marine business that uses ethical and sustainable business practices to deliver desired outcomes.

### OUR STRATEGIC AMBITIONS

To be the first choice – sustainability first

Increase revenue year-on-year

Grow EBITDA from our quotas

Secure sustainability in the long-term through our fishing quotas

### DELIVERING ON OUR STRATEGIC FOCUS AREAS

Organic growth and acquiring companies that complement our existing operations, as well as expanding our areas of operation with companies that fit our overall strategy.

Continued expansion of our abalone farm  
Acquire companies with a strategic fit to the Group  
Procurement and trading of fish species.

Increase capacity utilisation of land and sea-based assets  
Innovative fishing and production techniques  
Improve catch plans and increase catch rates.  
Further introduce solar technology with the expansion of the abalone farm  
Implement shared services.  
Construct a canning and drying facility at our abalone farm to enable the processing of our own canned and dried abalone.

Alignment of Group with regulator's policy of allocating fishing rights.  
Full compliance with laws and environmental, health and safety regulations.  
Create job opportunities through community partnerships and the expansion of the abalone farm.  
Support initiatives to improve health and education in the communities in which we operate  
Continue to develop a plan to measure and reduce our carbon footprint.

### KEY ENABLERS

*Access to capital* to enable support of the growth of our existing business and the ability to acquire more businesses  
Increase capacity utilisation of land-based assets

*Embedding a culture of leadership* that fosters diversity, innovation, organisational effectiveness, employee health and safety

*Committed employees* who believe in the Company and its purpose who incorporates passion and commitment into their work ethic

*Engaging with both external and internal key stakeholders*

*Committed to product quality and consistency*

*Efficient operational and logistic activities* to meet customer demands

## OUR STAKEHOLDER ENGAGEMENT

We appreciate the role of our stakeholders and are committed to nurturing impactful relationships that deliver mutual benefits and encourage transparent, objective and relevant communication. We recognise the importance of building and maintaining trust and respect with our various stakeholders. We strive to respond timeously and appropriately to issues raised in our interactions with our stakeholders.

Our stakeholder management approach involves understanding stakeholders' needs and expectations, addressing those needs and expectations, and identifying and acting on opportunities of mutual benefit.

Our stakeholder engagement involves identifying stakeholders who have the most significant impact on our business. Our engagement includes communicating our strategy, performance, decisions, and activities that impact or are of significant interest to our stakeholders and understanding their needs and expectations.

We addressed essential risks and opportunities and responded timeously and appropriately to issues raised in our interactions with our various stakeholders.

The following table provides an overview of our key stakeholders, their needs, expectations, how we engaged with them, and their contribution to value creation in our business.

# OUR STAKEHOLDER RELATIONS (CONTINUED)

## SHAREHOLDERS

We have a broad shareholder base, which includes individuals, institutional investors, private and public companies

### Stakeholder

Engagement was done through formal and informal interactions, including:

- Engagement with stakeholders;
- SENS announcements;
- Print media;
- Site visits;
- Road shows;
- Ad hoc meetings as requested;
- Our website [www.premierfishing.co.za](http://www.premierfishing.co.za)

### Primary concerns and expectations

- Sustainability of the business;
- Return on capital invested
- Optimal capital allocation and management
- Execution of growth strategies
- Appropriate risk identification and management processes
- Good corporate governance

### Expectations managed

- Sound corporate governance rules are implemented in the business
- Increase in profit of after tax of 5%
- Currently in progress with implementing growth strategies
- Dividends of 50 to 60 cents per share

#### Value for Premier

Supply of capital  
Low geared balance sheet

#### Value for Stakeholder

Capital growth  
Dividends  
Return on investment

## GOVERNMENT AND REGULATORY AUTHORITIES

Including: DAFF, SARB, SARS SAMSA, MCM, NCRS  
Accreditation: HACCP, FDA, SABS, NCRS

### Stakeholder

We engage with them through various forums, including:

- Emails and telephonic conversations
- Site inspections and audits
- Industry association meetings

### Primary concerns and expectations

- Compliance with laws and regulations of authorities

### Expectations managed

- Continuous training of management and staff responsible for compliance with various regulations by the respective authorities
- Immediate corrective action noted in the event of findings raised by authorities
- Participation in industry working groups
- Meeting with industry regulators

#### Value for Premier

- Favourable legislation and less interference
- Repeated utilisation of fishing quotas

#### Value for Stakeholder

- Contribution to taxes supports job creation
- Other strategic initiatives
- Payment of landing levies and taxes

## CUSTOMERS

We have a wide array of both foreign and local customers.

### Stakeholder

We engage with them through various forums, including:

- Emails and telephonic conversations
- Contract negotiations and ongoing interactions in the ordinary course of business
- Meetings, including site visits and one-on-one engagements

### Primary concerns and expectations

- Delivery of quality products and services
- Price competitiveness
- Leveraging of our B-BBEE credentials
- Adherence to regulatory requirements, good corporate governance and ethics
- Reliable long-term supply of products

### Expectations managed

- Ensured that inventory is available
- Ensured that all products supplied have the legal paperwork from the relevant authorities in place
- Ensured that products are safe to consume and consistent with the Premier quality and brand
- Ensured adherence to all necessary standards, such as HACCP, SABS, FDA and EU standard tests
- Complied with international laws, regulations and legislation.

#### Value for Premier

- Repeat business and revenue growth
- Understanding trends and opportunities
- Improved ability to compete
- Reputable brands

#### Value for Stakeholder

- Quality products and services
- Fair prices
- Correct labelling
- Better products and services



## SUPPLIERS

We have a wide range of suppliers, we source products and services mainly from empowered local suppliers.

### Stakeholder

We engage with them through various forums, including:

- Emails and telephonic conversations
- Contract negotiations and ongoing interactions in the ordinary course of business
- Meetings, including site visits and one-on-one engagements
- Supplier audits
- Service-level agreements

### Primary concerns and expectations

- Long-term security of supply
- Fair treatment and fair payment terms
- Entrepreneurship and supplier-development programmes
- Commitment to B-BBEE policies

### Expectations managed

- Ensured that we sourced supply with reputable businesses – Code of Ethics
- Fully committed to B-BBEE
- Made fair and timeous payments
- Implemented several entrepreneurship and supplier-development programmes

#### Value for Premier

- Good service
- Committed and consistent supply
- Good pricing
- Good-quality products

#### Value for Stakeholder

- Fair allocation of business pay on time
- Zero corruption

## EMPLOYEES AND TRADE UNIONS

We have permanent and seasonal workers as well as contracted fishermen.

### Stakeholder

Communication channels include:

- Emails and notice boards
- Internal meetings with trade union representatives take place on a regular basis
- Performance reviews and feedback sessions
- Company website
- Induction programmes
- Role blueprints, including job grading and job specification requirements
- Training and development sessions

### Primary concerns and expectations

- Career development opportunities including skills training
- Job security
- Market-related salaries and wages and equal pay
- Health and safety
- Transformation and diversity
- Involvement in secondary and tertiary education programmes
- Employee wellness programmes
- Corporate social investment in communities
- Employee engagement and communication – the importance of open and honest feedback

### Expectations managed

- The Group embarked on updating role blueprints, benchmarking and evaluation measures and identifying further skills development plans
- We focus on health and safety standards and procedures and ensure that working conditions are acceptable
- We made a substantial investment in skills development
- The Group also has a bursary programme which facilitates higher education
- We have also implemented a wellness clinic at our abalone farm.

#### Value for Premier

- Engaged and motivated employees
- Ability to attract and retain key skills

#### Value for Stakeholder

- Fair pay
- Interesting work
- Growth and development, equal treatment
- Health and safety

## LOCAL COMMUNITIES AND OTHER SMALL QUOTA HOLDERS

This is the community in which we operate, including small-quota holders.

### Stakeholder

We engage with the community through direct one-on-one meetings and through roadshows at community centres as well as via:

### Primary concerns and expectations

- Social-investment programmes
- Job creation
- Enterprise development

### Expectations managed

- Regular donations to sports-development programmes in the communities of Saldanha and Gansbaai
- School donations and support programmes in the communities of Hawston and Gansbaai
- Creation of job opportunities through the abalone farm expansion
- Free administration-support services and technical training to contracted small-quota holders

FDA Food and Drug Administration HAACP Hazard Analysis and Critical Points Control MCM Marine Coastal Management NRCS National Regulator for Compulsory Specifications SABS South African Bureau of Standards SAMSA South African Maritime Safety AuthoritySARB South African Reserve Bank SARS South African Revenue Service







# OUR APPROACH TO SUSTAINABILITY

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*Sustainability governance*

*Sustainability first*

*Our sustainability governance framework*

*Materiality determination*

*Our material matters*

*Responding to the sustainable development goals*





# OUR APPROACH TO SUSTAINABILITY

## SUSTAINABILITY GOVERNANCE

Our Board oversees and drives a strategic approach to sustainability that responds to the interests of all key stakeholders while protecting and creating value. The Group's core purpose, business model, performance, risks, opportunities and sustainable development are inseparable elements of the value-creation process.

Our Board is aware that its responsibility and accountability and producing solid financial results include managing the Company's environmental and social impact and addressing stakeholders' expectations, including regulators, investors, business partners and employees.

Our products and services are the tangible outputs of our business activities, and our social and ethical responsibilities guide our day-to-day activities. Therefore, all forms of sustainability are critical in our strategy and operational activities.

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

Our goal has always been to provide innovative management solutions to every client while remaining committed to social responsibility. We are committed to implementing sustainable business practices that minimise the impact on the environment from our operations.

## SUSTAINABILITY FIRST

We have to make decisions that directly impact our stakeholders as a business. The sustainability of our resources has been the core of our business since its inception, including our employees, financial institutions, labour organisations, civil society and citizens, and the level of trust they have in us. These decisions are based on financial information alone and on assessing risks and opportunities using the information on a wide variety of immediate and future issues. Building and maintaining trust in South Africa's businesses and the Government is fundamental to achieving a sustainable economy.

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

The Group's carbon emissions impact the environment, and we commit our businesses to a journey of responsible environmental stewardship. We acknowledge that a stable economy and a sustainable business require a sustainable environment. We work closely with the relevant authorities to safeguard various fish species and pay careful attention to the environmental impact of our operations.

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

The Group continually works towards sustainable development through careful stewardship of natural resources, eradicating poverty and income inequalities, with the goals being employment, accessing quality and affordable basic services, and fostering a stable and just society.

We have instituted measures throughout our operations to ensure that we meet our own requirements for sustainability and those of the United Nations Development Goals, which should be realised by 2030.

## OUR SUSTAINABILITY GOVERNANCE FRAMEWORK

### BOARD OF DIRECTORS

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

### CHIEF EXECUTIVE OFFICER

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

AUDIT AND RISK COMMITTEE	REMUNERATION COMMITTEE	SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE
<ul style="list-style-type: none"> <li>Is responsible for overseeing and reviewing the integrated reporting process.</li> <li>Reviews the annual financial statements, interim reports and preliminary results announcement.</li> <li>They ensure the integration in terms of reporting and the application of our business model.</li> <li>They ensure that the combined assurance model is applied.</li> <li>They oversee the internal audit function.</li> <li>They are responsible for risk management, consider the top risks, and monitor the progress of mitigating them. Findings and recommendations are reported at Board level.</li> <li>They are responsible for the governance of technology and information.</li> <li>They recommend the services of the external auditor.</li> </ul>	<ul style="list-style-type: none"> <li>Reviews and approves the remuneration and benefits policy and the reward philosophy and strategy adopted by the Company.</li> <li>They ensure that the Company remunerates responsibly, fairly and transparently.</li> <li>They review and approve the reward philosophy and strategy.</li> <li>They determine the remuneration packages of the executive directors and senior managers.</li> <li>They recommend to the Board the fees to be paid to non-executive directors for their services.</li> </ul>	<ul style="list-style-type: none"> <li>Ensures that the Company is and remains a committed, socially responsible corporate citizen.</li> <li>They report on organisational ethics, sustainable development and stakeholder relationships.</li> <li>They monitor the Company's social impact, oversee compliance and ensure sound ethical and governance practices.</li> <li>They ensure compliance with statutory duties and encourage leading practices by having the social, ethics and transformation committee progress beyond mere compliance to contribute to value creation.</li> <li>They are responsible for overseeing transformation management, ensuring that management has implemented and maintained an effective transformation management process in the Group.</li> <li>They assist the Board in leading transformation within the Company and ensuring appropriate policies and procedures are in place.</li> <li>They ensure compliance with the amended B-BBEE Codes of Good Practice as revised from time to time.</li> <li>They manage and ensure best environmental practices.</li> </ul>

### DAILY RESPONSIBILITY IS DELEGATED TO DIVISIONAL MANAGEMENT

## MATERIALITY DETERMINATION

Our report addresses social, environmental and economic issues that have been identified as being of the highest importance. Our materiality determination is structured around our risk register as a starting point. Our risks and opportunities are identified, prioritised and mapped according to probability and potential impact, and mitigation strategies are refined to ensure our ability to pre-empt each issue for the benefit of our stakeholders competently.

Our approach to materiality determination is informed by The International Integrated Reporting Council <IR> Framework considering our various stakeholder groups and ensuring value creation over the short, medium and long-term.

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

# OUR APPROACH TO SUSTAINABILITY (CONTINUED)

As a result of our materiality determination process, our most material matters are listed below:

MATERIAL MATTERS
<b>Fishing resource availability</b> <ul style="list-style-type: none"> <li>• A reduction in the fish biomass could result in the Total Allowable Catch (TAC) for West Coast Rock Lobster, South Coast Rock Lobster, hake, pelagic or a reduction in the total effort catch of squid would affect the sustainability of our business.</li> <li>• Work closely with the Department of Forestry, Fisheries and the Environment (DAFF).</li> <li>• Ensure compliance with DAFF and all fishing regulatory requirements.</li> </ul>
<b>Reallocation of fishing rights</b> <ul style="list-style-type: none"> <li>• Continue to foster relationships with small scale fishers</li> <li>• Build strong relationships with small fishing companies</li> <li>• Partner with small fishing companies</li> </ul>
<b>Environment</b> <ul style="list-style-type: none"> <li>• Adverse weather conditions</li> <li>• Climate change and energy efficiency</li> <li>• Carbon emissions</li> <li>• Property damage</li> <li>• Managing our direct environmental impact</li> <li>• Promoting sustainable water usage</li> <li>• Promoting energy efficiency</li> <li>• Managing operational disruptions</li> <li>• Materials and waste management</li> </ul>
<b>Regulatory</b> <ul style="list-style-type: none"> <li>• Ensuring sound corporate governance practices</li> <li>• Ensuring compliance with International Financial Reporting Standards (IFRS) and the JSE Listings requirements</li> <li>• Ensuring compliance with all other applicable laws and regulations</li> <li>• Transparent engagements with our stakeholders</li> <li>• Fostering ethical behaviour</li> </ul>
<b>Developing people</b> <ul style="list-style-type: none"> <li>• Workplace transformation and diversity</li> <li>• Promoting within the organisation</li> <li>• Skills development</li> <li>• Attracting and retaining talent</li> </ul>
<b>Employee health and safety</b> <ul style="list-style-type: none"> <li>• Promote and enable a healthy and safe working environment for our employees in response to the COVID-19 pandemic</li> <li>• Addressing employee health and safety concerns timeously</li> </ul>
<b>Responsible products and services to our customers</b> <ul style="list-style-type: none"> <li>• Financing and infrastructure</li> <li>• Treating our clients fairly</li> <li>• Promoting responsible investment</li> <li>• Promoting our product offering and service</li> </ul>
<b>Investing in a prosperous society</b> <ul style="list-style-type: none"> <li>• Through transformation and empowerment</li> <li>• Responsible procurement, enterprise and supplier development</li> <li>• Corporate social investment</li> </ul>





# OUR APPROACH TO SUSTAINABILITY (CONTINUED)

The group prioritised and mitigated the following key risks to create sustained value

The following table describes our principal identified risks, which continue to have the potential of a material impact on the Group's ability to create value. These are outlined below:

- 1** **Resource availability**
- 2** **Reallocation of fishing rights**
- 3** **Exchange rate volatility**
- 4** **Cyber risk**
- 5** **Regulatory compliance**
- 6** **Environmental**
- 7** **Macroeconomic environment**
- 8** **Attracting and retaining skilled staff**



The following table provides a detailed insight into our key identified risks, together with their potential impacts and mitigating actions. In determining our mitigation strategy, we have considered the severity and likelihood of the occurrence of the risks we face.:

### Risk exposure



## 1 Resource Availability

The risk that a reduction in the fish biomass could result in a reduction in the Total Allowable Catch (TAC) for West Coast Rock Lobster (WCRL) South Coast Rock Lobster ( SCRL), hake and pelagic, or a reduction in the total effort catch of squid.

RISK CONTEXT	MITIGATING ACTIONS	RISK EXPOSURE	RATE: 1 (2020:1)
<p>The West Coast Rock Lobster (WCRL) Resource remains a challenge for the industry at large. During the year under review, the Department of Forestry, Fisheries and the Environment (the Department) announced a reduction in the TAC for the fishing season period under review.</p> <p>The group's quota was reduced to 27 tons for own permit and 54 tons for outside rights holders.</p>	<p>The Group remains committed to assisting government by ensuring strict compliance with the TAC, thereby assisting the recovery of the resource and safeguarding the sustainability of the resource for the future.</p> <p>The Group continues to incubate and procure fish from third-party quota holders so that a reduction in the quota for the Group can be mitigated by third-party quota holders.</p> <p>Additionally, we continue to enhance our operational efficiencies, thereby avoiding critical job losses.</p>	<p>Residual vs. Inherent</p>	<p>A reduction in the Total Allowable Catch (TAC) affects the Revenue Generated by the Group and ultimately the investors' returns on shareholding</p>

## 2 Reallocation of Fishing Rights

The risk that a reduction in the fish biomass could result in a reduction in the TAC for WCRL, SCRL, hake and pelagic or a reduction in the total effort catch for squid.



RISK CONTEXT	MITIGATING ACTIONS	RISK EXPOSURE	RATE: 1 (2020:1)
<p>The Fishing Right Allocation Process (FRAP) for the granting of long-term commercial fishing rights was extended twice, with the application process itself pushed into November 2021, therefore in our next reporting cycle.</p> <p>The Department reviewed the rights process to allow for a potential of 25% new entrants into the sector.</p>	<p>The Group is one of the most transformed fishing companies in South Africa, with a level 1 B-BBEE rating with a 93.63% black ownership.</p> <p>This positions the Group as a strong contender in being allocated appropriate quotas.</p> <p>To further mitigate the potential for a reduction in the Group's own quota, Premier continues to retain strong relationships with its existing smaller fishing company partners and has actively engaged in seeking additional partners, to operate in a similar manner. This is to ensure an equitable distribution of available marine resources.</p>	<p>Residual vs. Inherent</p>	<p>Revenue and profitability will decrease and this will affect business going concern.</p> <p>The loss of fishing rights by the group or by rights holders who are contracted with the group will result in operations being affected and may lead to job losses in the company as the fishing rights are the backbone of Premier Fishing Group</p>



# OUR APPROACH TO SUSTAINABILITY (CONTINUED)

## ③ Exchange rate volatility

The risk of the ZAR strengthening against the US Dollar and Euro.

RISK CONTEXT	MITIGATING ACTIONS	RISK EXPOSURE	RATE: 1 (2020:1)
Currency volatility due to various political and macro-economic factors continues.	The Group implements operational strategies, which enable it to save on ZAR denominated costs in the event of the strengthening of the ZAR, thereby maintaining its margins.	Residual vs. Inherent  	<p>A strengthening rand against hard currencies means that export sales when translated to Rands will see a decline in reported Revenue.</p> <p>A strengthening Rand also results in outstanding debts from customers, in the group are translated to a lesser amount in Rands resulting in foreign exchange losses</p> 



## ④ Cyber risk

The risk that the Group's information systems will be threatened by cyber-attacks.

RISK CONTEXT	MITIGATING ACTIONS	RISK EXPOSURE	RATE: 1 (2020:1)
Cyber-attacks have increased in frequency and sophistication and with the increased use of technology, the exposure to cyber-attacks inherently exist.	<p>The Group continues to invest in up-to-date information technology systems, thereby safeguarding the Group's critical information.</p> <p>The Group continuously provides employees with training and information on how to mitigate software virus threats.</p>	Residual vs. Inherent  	<p>A cyberattack can affect and also hinder operations as the all business systems in place within the group are highly dependent on the use of technology for the ease of work carried out.</p> <p>A cyberattack may result in business operations coming to a standstill as the group's data processing is highly dependent on the servers for data storage.</p> 



## 5 Regulatory compliance

The risk of non-compliance with laws and regulations and JSE Listing requirements.

RISK CONTEXT	MITIGATING ACTIONS	RISK EXPOSURE	RATE: 1 (2020:1)
The Group operates under strict and complex regulatory and policy frameworks.	<p>The Group endorses best practices and is HACCP accredited.</p> <p>The Group employs experienced staff who understand the various regulatory requirements.</p> <p>The Group has legislature-compliance training and monitoring programmes.</p> <p>Rigorous compliance and quality audits are conducted, ensuring the highest standards. Policies and procedures are constantly updated in order to adapt to new regulations and legislative requirements.</p> <p>Residual vs. Inherent</p> <p>Material aspect affected</p>	<p>Residual vs. Inherent</p> 	<p>Non compliance with laws and regulations may affect business continuity. The laws and regulations are put in place to control the group's activities. Should the group use the fishing rights beyond the stipulated quota then there is a risk that no quotas will be allocated for the next fishing season.</p> <p>JSE listing requirements are very critical in keeping the company listed and should these not be adhered to then there is a risk that the holding company is delisted.</p> <p>BEE ratings are highly essential and retention of the BEE levels is crucial for business continuity as the fishing rights allocation takes the status into consideration</p> 

## 6 Environment

The risk of adverse weather conditions affecting landings of fish stock and the Red Tide in the Gaansbaai area.

RISK CONTEXT	MITIGATING ACTIONS	RISK EXPOSURE	RATE: 1 (2020:1)
There are challenging weather conditions and natural movement of biomass.	<p>The Group employs experienced skippers who maximise the catch rates during the available fishing days.</p> <p>We have engaged the services of veterinarians and a top marine biologist, who have developed standard practices to assist with the management of our animals during a red-tide occurrence.</p>	<p>Residual vs. Inherent</p> 	<p>Adverse weather conditions affect the catch and this has a huge impact on the Revenue generated by the group</p> 

# OUR APPROACH TO SUSTAINABILITY (CONTINUED)



## 7 Macroeconomic environment

The risk of significant increases in wages demanded by staff, and unplanned operational disruptions as a result of labour disputes.

RISK CONTEXT	MITIGATING ACTIONS	RISK EXPOSURE	RATE: 1 (2020:1)
The current economic environment in South Africa is characterised by the harsh increase in the cost of living and low economic growth.	<p>The Group continues to pursue growth and diversification of its portfolio in order to unlock value and create much-needed jobs and employment opportunities</p> <p>The Group constantly engages with trade-union representatives to ensure that employee demands are in line with the Group's affordability.</p>	<p>Residual vs. Inherent</p> 	<p>Labour disputes and high wage demands has an adverse impact on operational costs which will significantly rise and an increase in overheads will result in Losses.</p> 

## 8 Attracting and retaining skilled staff

The risk of losing employees with critical skills and experience.

RISK CONTEXT	MITIGATING ACTIONS	RISK EXPOSURE	RATE: 1 (2020:1)
South Africa continues to experience high levels of emigration, adding to the challenge of attracting and retaining skilled talent.	<p>The Group has instilled a rich, diversified, and inclusive company culture – and has an engaged open door policy.</p> <p>The Group strives to ensure employee satisfaction by empowering staff in order to promote productivity and enhance outcomes.</p>	<p>Residual vs. Inherent</p> 	<p>Retention of highly skilled staff is very important as skilled and experienced staff are crucial stakeholders who ensure the going concern of the business as the main operations of the companies require skilled personnel.</p> <p>For instance a loss of a skipper who is in charge of the vessel that the group relies on, for fishing has a huge impact on the revenue as there is a possibility of decline in Revenue due to a drop in fish caught.</p> 





# OUR APPROACH TO SUSTAINABILITY (CONTINUED)

## RESPONDING TO THE SUSTAINABLE DEVELOPMENT GOALS



The Company is reporting on its sustainable development goals for the first time. We are committed to supporting our Government's commitment to the SDGs in the areas we operate. We use guidance from industry bodies to inform internal and external stakeholder commitments and to measure our performance against 14 of the 17 SDGs.

Our operations contribute to many of the goals. We will continue to strengthen our commitment to the relevant SDGs with the assistance of our leadership team.

The table below identifies which goals are relevant to the Group, our progress, and set targets.



GOAL	RESPONSE	PROGRESS TO DATE	TARGETS
<b>NO POVERTY</b>			
<b>Goal 1</b> 	We work hard to ensure the Company is sustainable. We are building capacity for the future, where more people can be gainfully employed, thus contributing to the economy, helping to eradicate poverty by creating employment opportunities.	<ul style="list-style-type: none"> <li>Wages at all operations are in line with industry standards set by the Government</li> <li>Work towards building resilience in the communities in which we operate to reduce their exposure to climate-related events</li> <li>We spent R160.5m in salaries and wages</li> <li>Support for small scale fishermen and employment in impoverished communities.</li> </ul>	<ul style="list-style-type: none"> <li>No specific financial targets have been set.</li> <li>We have had very few retrenchment cases as the Group was stable and was able to keep all employees.</li> </ul>
<b>ZERO HUNGER</b>			
<b>Goal 2</b> 	End hunger, achieve food security, improve nutrition and promote sustainable agriculture	<ul style="list-style-type: none"> <li>We help put food on the table for more people in providing work.</li> <li>The fish we catch also provides nutritious sustenance for many.</li> <li>We are committed to ensuring the sustainability of our fish stocks.</li> <li>By-catch for "fry-ups".</li> </ul>	<ul style="list-style-type: none"> <li>No target has been set</li> </ul>
<b>GOOD HEALTH AND WELL-BEING</b>			
<b>Goal 3</b> 	We promote good health and well-being.	<ul style="list-style-type: none"> <li>We continually aim to create an environment conducive to improving the health and well-being of our employees and the communities in which we operate.</li> <li>We have programmes for our employees and provide access to various health services.</li> <li>We monitored and screened our employees for COVID-19 and identified cases to be monitored.</li> <li>We monitor our employees for potential substance abuse.</li> <li>We ensure that our employees are screened and fit before going to sea.</li> <li>We provide medical assistance to our employees.</li> <li>We spent more than R1.2m on health care.</li> </ul>	<ul style="list-style-type: none"> <li>No specific target has been set.</li> <li>We had one death due to COVID-19 in 2021. The number of COVID-19 positive cases continues to decline.</li> </ul>

## QUALITY EDUCATION

## Goal 4



Knowledge is power, and we ensure inclusion, quality education and learning opportunities for all.

- We provided training and development support programmes that inform, uplift, upskill and enable our employees.
- We also make many of these platforms available to the families of our teams.
- Our training includes accredited maritime training, SETA learnerships, AET and adult literacy interventions and short courses including life skills, business training, computer skills, professional project management, health and safety, accounting, marketing, COVID-19, HIV and aquaculture training.
- We promote education through our Bursary programme.
- Our SED programmes support Early Childhood Development (ECD), primary, secondary and tertiary education.
- To date more than 50 people benefitted from our educational programmes. · We spent more than R2.8m on education, training and development in 2021.
- We spent more than R1.8m on bursaries and learnership programmes, including ECD, primary, secondary and tertiary education.

- A portion of our SED budget goes towards educational support.
- No specific financial targets have been set for training and development interventions.
- The Group will continue its commitment to its ECD, primary, high school and tertiary education, bursary and learnership programmes, but no financial targets have been set.

## GENDER EQUALITY

## Goal 5



Empower women and girls and end all forms of discrimination.

- We remain committed to being an equal opportunity employer.
- We do not discriminate against race, gender, or creed.
- We root out all forms of discrimination which are embedded in our Code of Ethics, Code of Conduct and The Way We Work policies
- We had no incidents of gender discrimination during the year.
- We have a transformative culture representative of an inclusive South Africa and are a leading example of gender equality
- Our non-executive chairperson is a woman of distinction.
- Our CEO is the first black female to steer one of the largest fishing companies in South Africa.
- 12% of our top management are females · 15% of our employees are female in the male-dominated fishing industry.
- The Company continued to work within its communities to promote empowerment at all levels of society.

- Zero tolerance for all forms of discrimination.
- Increase female representation in the Group at all levels, but no specific target has been set.

## CLEAN WATER AND SANITATION

## Goal 6



Ensure potable water and the sustainability thereof

- All operations in the Group have access to potable water.
- The abalone farm's primary source of water is from the ocean for its operations

- Develop water management plans.

## AFFORDABLE CLEAN ENERGY

## Goal 7



Ensure reliable energy and the consumption thereof for our operations.

- We increased the solar energy capacity at the abalone farm.
- A total of 9 MWh has been attained thus far.
- We spent over R6m on the implementation of solar energy to date.

- Our solar energy project is done through a phased approach.




# OUR APPROACH TO SUSTAINABILITY (CONTINUED)


## DECENT WORK AND ECONOMIC GROWTH

Goal 8 	Promote economic growth and employment and decent working conditions	<ul style="list-style-type: none"> <li>• We contribute to the economy through our investment diversification and collaboration with the communities in which we operate.</li> <li>• We create favourable working conditions that attracted talent and assisted us in growing our businesses.</li> <li>• We offered internships.</li> <li>• We partner with small-scale fishers to ensure their livelihood by offering our administration services, catching, processing and marketing of the quota their allocations.</li> <li>• We collaborate with our industry and joint venture partners to ensure a sustainable marine resource for future generations.</li> </ul>	<ul style="list-style-type: none"> <li>• No specific targets have been set.</li> <li>• Our goal is to ensure sustainable income through our operational performance.</li> </ul>
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## INDUSTRY INNOVATION AND INFRASTRUCTURE

Goal 9 	Promote, develop and support production through our activities, job creation and infrastructure	<ul style="list-style-type: none"> <li>• We continue to improve our infrastructure, taking into account our operational needs.</li> <li>• We ensure the optimal use of our assets and disposed of obsolete assets and infrastructure.</li> <li>• We use innovation at our abalone farm with our growing tanks powered by solar energy.</li> <li>• We continue with the expansion of our abalone farm.</li> <li>• We monitor and implemented methods for our fishing fleet to minimise the negative impact on the environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Our goal is to construct a processing facility at our abalone farm, creating additional employment.</li> <li>• This will increase operational capacity.</li> <li>• We are working towards our medium-term targets to improve our environmental efficiencies.</li> </ul>
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## REDUCED INEQUALITIES

Goal 10 	Bridging the socio-economic divide is critical to the long-term survival of our country. Promote and empower the economic, social and political inclusion of all races, ethnicity, sex, age, disabilities and religion.	<ul style="list-style-type: none"> <li>• We offer access to education, improvement, and empowerment programmes to help break down the endemic inequality barriers in South Africa.</li> <li>• We work towards income generation, growth, and opportunities while eliminating discrimination.</li> <li>• We ensure that our wages for our lower skill levels were targeted above the inflation rate.</li> <li>• We ensure the promotion of all persons' social, economic, and political inclusion regarding age, sex, race, disability, ethnicity, religion, or other status. This is entrenched in our Code of Ethics, Code of Conduct, and The Way We Work policies, as well as our service agreements with our suppliers and contractors.</li> <li>• All forms of discrimination are prohibited from all activities and operations.</li> <li>• Our policies are structured to create greater equality within our workforce through retention and recruitment.</li> <li>• Our major subsidiaries all attained a B-BBEE Level 1 accreditation in line with the DTI Codes of Good Practice.</li> </ul>	<ul style="list-style-type: none"> <li>• We have zero tolerance for all forms of discrimination.</li> <li>• Maintain and improve our wages for our lower skills above the inflation rate.</li> <li>• Maintain a B-BBEE Level 1 accreditation in line with the DTI Codes of Good Practice for all our major subsidiaries.</li> </ul>
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## SUSTAINABLE CITIES AND COMMUNITIES

Goal 11 	The communities in which we operate are important to us.	<ul style="list-style-type: none"> <li>• We support our communities in which operate through employment, education, and corporate social investment initiatives involving our time, skills, and money. This ensures that they and we remain sustainable.</li> <li>• The effect of climate change, the need to preserve our environment, and access to modern infrastructure promote information sharing.</li> <li>• Our stakeholder engagement includes the communities in which we operate.</li> <li>• Our top risks and the mitigation thereof include adverse weather conditions that impact the Group and the communities in which we operate.</li> </ul>	<ul style="list-style-type: none"> <li>• No specific targets have been set.</li> <li>• Our ongoing risk management process is monitored regularly, and action is taken appropriately to mitigate any potential risks.</li> </ul>
<b>RESPONSIBLE CONSUMPTION AND PRODUCTION</b>			
Goal 12 	Ensure responsible consumption and production.	<ul style="list-style-type: none"> <li>• We monitor the efficient use of our natural resources and continue to work for an overall reduction.</li> <li>• We continue to reduce our waste consumption.</li> <li>• We will continue to engage with our employees, contractors, suppliers and industry bodies to ensure the sustainability of all natural resources.</li> </ul>	<ul style="list-style-type: none"> <li>• No specific targets have been set, but we continue to improve our water, energy, carbon emissions and waste disposal.</li> </ul>
<b>CLIMATE ACTION</b>			
Goal 13 	Combat climate change and the impact of emissions	<ul style="list-style-type: none"> <li>• We installed solar energy at our abalone farm – this will continue through a phased approach.</li> <li>• We continue to monitor the effect of our operations and our vessels in terms of their carbon emissions.</li> </ul>	<ul style="list-style-type: none"> <li>• No specific targets have been set.</li> </ul>
<b>LIFE BELOW WATER</b>			
Goal 14 	Protect and promote the sustainable use of marine resources, pollution and protecting our ecosystem.	<ul style="list-style-type: none"> <li>• As a fishing company, we are dependent on our marine resources.</li> <li>• We continue to support the sustainability and conservation of our marine resources by protecting our oceans and marine resources. • We continue to reduce our marine pollution by protecting and restoring our ecosystems, ending illegal fishing and over-fishing by utilising science-based management plans to restore fish stocks and repair the oceans.</li> <li>• We prohibit unregulated fishing and poaching of our marine resources.</li> <li>• 10% of coastal and marine areas need to be conserved, while unregulated fishing plus subsidies, which are contributing to overfishing, must be prohibited.</li> <li>• The accommodation of small-scale fishers needs to be granted, and marine conservation needs to be enhanced.</li> </ul>	<ul style="list-style-type: none"> <li>• We continued to abide by the total allowable catch for our various species as per the permits granted to us.</li> <li>• We await the outcome of the new Fishing Rights Allocation Process.</li> </ul>







# HUMAN CAPITAL

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*Introduction*

*Our human capital highlights, outcomes  
and actions*

*Training and development*

*Human rights*

*Health and safety*

*Industrial relations*

*Employee benefits*

*COVID-19 and our employees*

*Employment equity and transformation*

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# HUMAN CAPITAL

## OUR KEY HUMAN CAPITAL INPUTS

TEAMWORK & CULTURE	SAFE & HIGHLY EFFICIENT EQUIPMENT	HEALTHY & SAFE WORKING ENVIRONMENT	EFFECTIVE LEADERSHIP
TRAINING AND DEVELOPMENT	HUMAN RIGHTS	HEALTH & SAFETY	
			
INDUSTRIAL RELATIONS	EMPLOYEE BENEFITS	COVID-19 AND OUR EMPLOYEES	EMPLOYMENT EQUITY AND TRANSFORMATION
			

## INTRODUCTION

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

Our COVID-19 response remained a significant focus during the financial year, with the various variants, against the backdrop of the Group's operational requirements.

## OUR HUMAN CAPITAL HIGHLIGHTS, OUTCOMES AND ACTIONS

### OUR APPROACH TO HUMAN CAPITAL

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

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

## HIGHLIGHTS ON THE PROGRESS ON OUR HUMAN CAPITAL IN 2021

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

According to our capitals, we tracked our progress defined by the International Integrated Reporting Council's Integrated Reporting <IR> Framework as the resources and relationships used and affected by an organisation.

MATERIAL MATTERS	KEY PERFORMANCE INDICATOR
<ul style="list-style-type: none"> <li>COVID-19 and the impact on our employees</li> <li>Effective leadership to develop and lead our employees to deliver high performance</li> <li>Teamwork and a respectful culture</li> <li>Clean, safe and healthy operational premises</li> <li>Employee health and safety</li> <li>Employee job security</li> <li>Employee recruitment and retention of critical skills</li> <li>Training and development of employees</li> <li>Remuneration and employee recognition</li> <li>Employee job satisfaction and diversity</li> <li>Diversity and cultural transformation</li> <li>Employee productivity, efficiency and costs</li> <li>Management retention and succession plans</li> <li>Protection of personal information</li> </ul>	<ul style="list-style-type: none"> <li>We monitored the impact of COVID-19 on our employees</li> <li>We ensured that our employees work in a healthy and safe environment</li> <li>We monitored employee job security as a result of the volatile economic climate</li> <li>We tracked our employee attrition for the retention of critical skills</li> <li>We encouraged, reviewed and tracked training and development of employees to develop critical skills to drive business performance through external training institutions</li> <li>We ensured that our employees are remunerated fairly and responsibly and are provided recognition for their performance</li> <li>We continuously imbed and monitor diversity and cultural transformation across all levels with all recruits</li> <li>We ensured the delivery of our strategic objectives by driving a high-performance culture, productivity, efficiency and monitoring costs</li> <li>We monitored employee job satisfaction, productivity, efficiency and costs</li> <li>We ensured that employees personal information was protected at all times</li> </ul>
2021 PROGRESS	WHAT ARE THE RISKS RELATED TO OUR MATERIAL MATTERS?
<ul style="list-style-type: none"> <li>We promoted and enabled a healthy and safe environment for our employees in response to the COVID-19 pandemic</li> <li>We emphasised our employee value proposition</li> <li>We encouraged remote working resulting in better work performance and less stress and anxiety for employees</li> <li>We continued to promote a working environment that allows employees to deliver high performance</li> <li>We continued with the development of critical skills to drive business performance as well as building leadership capability to enable productivity, high performance and sustainable growth</li> <li>We continued with our transformation and employment equity plans</li> <li>We identified employees for development</li> <li>We rolled out our transformation and equity employment plans</li> <li>We trained our employees on the Protection of Personal Information Act, 2013</li> </ul>	<ul style="list-style-type: none"> <li>Our employee's mental health during the COVID-19 lockdown</li> <li>The impact of the COVID-19 pandemic in terms of further job creation</li> <li>The loss of critical skills due to the impact of the COVID-19 pandemic</li> <li>Higher than market-related salary demands</li> <li>Developing critical skills</li> <li>The inability to retain skills and high-caliber employees</li> <li>The inability to find suitable accredited training and development service providers</li> <li>The inability to recruit skilled employees</li> <li>The challenge of training inexperienced employees could take longer than anticipated</li> </ul>



# HUMAN CAPITAL

(CONTINUED)

## ACTIONS AND OPPORTUNITIES THAT ENHANCED OUR OUTCOMES

- We enhanced our risk-management processes to ensure a safe and healthy working environment, including mental health
- Remote working conditions creates better productivity
- Workplace wellness programmes that emphasise employee well-being, in and out of the office
- Employee development – bursaries and learnerships
- Identify and offer internships and learnerships in identified disciplines
- Leadership development programmes
- Continuously promoting a working environment in which our employees are valued, respected and developed, thereby enabling them to perform at a high level;
- Continuous funding of the Premier Fishing Bursary scheme, which assists our employees by teaching children critical skills that are needed within the Group
- Providing learnership programmes, thereby contributing towards skills enhancement within the Group as well as broader society

## OUTCOMES OF OUR ACTIVITIES ON HUMAN CAPITAL

		2021	2020
Number of employees	Number	838	760
Total amount paid in salaries, wages and benefits	Rands	155 804 000	114 907 000
Total amount paid to contracted fishermen	Rands	44 518 000	26 083 000
Total amount paid towards the Premier Fishing Bursary Trust	Rands	399 000	449 000
Total number of employees trained	Number	175	5
Total amount paid for skills development	Rands	2 780 000	659 000
Number of employee safety incidents	Number	33	0
Number of fatalities	Number	0	0

**Premier employs more than 800 people on the coastal regions of South Africa and is committed to contributing towards job creation for previously disadvantaged communities, to meet the Group's growth plans and employment targets.**





## TRAINING AND DEVELOPMENT



We increased our training and development programmes despite the impact of COVID-19 during the year. As a result, R2 780 802 (2020: R659 000) was spent on 175 employees who undertook training and 37 training interventions. Some of the initiatives include:

- Health & Safety
  - Fire fighting
  - First aid
  - Deck officer
  - Electronic navigation systems
  - Personal survival techniques
  - Personal safety & personal responsibility
  - Reach truck and forklift re-licence
- Governance training
- Tax training
- Numeracy & literacy assessments
- Aquaculture training
- Health & Safety induction programme
- HIV AID training
- COVID-19 training
- Alcohol & drug training
- Fire emergency procedures
- Respiratory protection
- Heating conservation
- DHAS Alt seminar
- Red tidewater sampling

We paid for the following four bursaries during the year, totaling R160 319. All of the recipients are previously disadvantaged South Africans.

- PG Dip: Accounting
- PG: BPhil Hon Marketing Management
- NC: HR management N5
- Electrical – prep and trade test

We distributed R686 400 in learnership programmes for the year.

### WHAT WE WANT TO ACHIEVE

Provide further training and development opportunities to enhance skill sets throughout the Group

#### OUR FOCUS

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

- Foster equality within our work environment irrespective of gender, race, creed and other forms of diversity.
- Build leadership capacity among women.
- Promote skills development and learnership programmes.
- Promote performance management.
- Ensure full compliance with the changing regulatory requirements and that all Workplace Skills Plans, Annual Training Reports and Pivotal Reports as per SETA requirements have been developed.

#### OUR APPROACH

- Engage with our employees at all levels to provide us with the necessary feedback and input in understanding and responding to improving their skills and training needs.
- Encourage employees to utilise the bursary programme. Ensure that jobs are available for learners after completion of learnership programmes.
- Conduct performance reviews with employees.

### LOOKING AHEAD

- Identify career development opportunities and skills training interventions.
- Review succession plans
- Nurture future talent.
- Maintain regulatory compliance.



# HUMAN CAPITAL

## (CONTINUED)

### NURTURING FUTURE TALENT

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

Some of the challenges faced are:

- Developing the next generation of leaders due to the low staff turnover in certain sectors of our business
- Achieving diversity in the fishing industry
- Impact of COVID-19 pandemic on training initiatives
- Finding high quality talent
- Succession planning ensure that plans are in place to develop candidates earmarked for the future. We are in the process of the implementation thereof, while the focus also remains on the retention of critical skills in the Group.

#### WHAT WE WANT TO ACHIEVE

Our Human Capital focuses on strengthening the capability and integrity our employees bring to their roles, which contributes to the business's success and maximises stakeholder value.

OUR FOCUS	OUR APPROACH
<ul style="list-style-type: none"><li>• Continue to develop our employees.</li><li>• Continue to enhance diversity across the Group in a male-dominated fishing environment.</li><li>• Continue to embed best people management practices.</li><li>• Maintain constructive relationships with organised labour unions.</li></ul>	<ul style="list-style-type: none"><li>• Our employees remain critical enablers of our strategy and key to improving our performance.</li><li>• The relevant skills and diverse ideas determine our operational excellence, the efficacy of our client-focused solutions and improvements.</li></ul>

#### LOOKING AHEAD

- Attract and develop skilled young talent with diverse backgrounds and industry knowledge.
- Develop new and innovative ways to strengthen the mindset within the Group to ensure delivery of our strategic objectives.
- Develop effective and integrated talent mechanisms to identify internal and attract external talent.
- Develop opportunities to expand our junior leadership.
- Implement innovative approaches to learning skills including self-guided online training, coaching and virtual training
- Identify training to upskill employees for junior management positions.
- Identify training for middle and senior management.
- Identify candidates for learnerships.
- Identify candidates for bursaries.

### DIVERSE WORKFORCE

As one of the leading black empowerment companies, we believe that diversity helps us maintain our winning edge. Therefore, Premier remains committed to building a workforce that reflects the communities in which we operate.

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

## BURSARIES AND LEARNERSHIPS

Our employees continue to benefit through our extensive skills development, wellness and employment equity programmes, and the Group has fully complied with the Employment Equity Act 55 of 1998.

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

Bursaries awarded to date 29

Learnerships awarded to date 16

## OUR WORKFORCE TRENDS

Like any other business, the Group has had unprecedented challenges to shape its businesses during this past year due to the COVID-19 pandemic. We had to navigate and respond to remote working, determining how to support our employees' well-being, managing a hybrid workforce and concerns around the COVID-19 vaccine. These include:

- Assisting with the well-being and performance at a higher level by providing mental and financial health support.
- Mental health support is the new normal, with employers being more aware of the impact of mental health on employees.
- Reskilling the capabilities of the current workforce to meet the changing needs of the organisation.

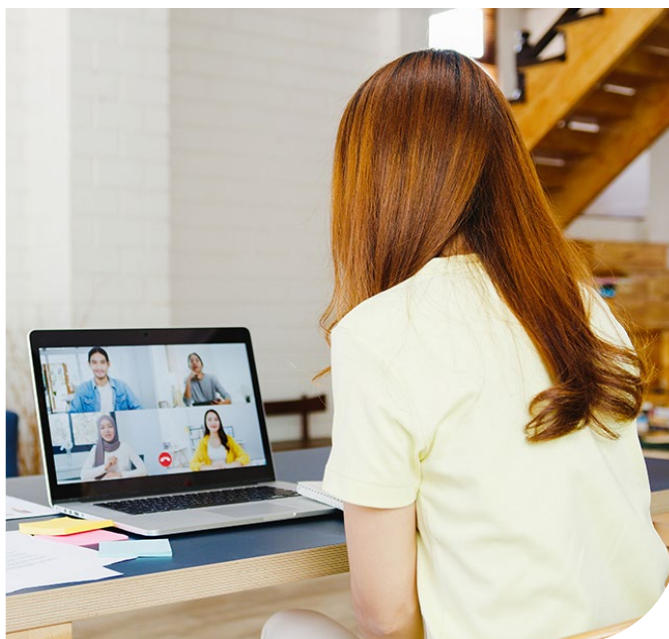
## WORK TRENDS POST-COVID-19 PANDEMIC

As companies shift to more remote work operations, they need to explore the critical competencies to collaborate digitally and adjust employee experience strategies.

We will continue to play an expanded role in our employees' physical, mental and financial well-being.

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

We had to balance our decisions to resolve immediate concerns during the COVID-19 pandemic with the long-term impact on our employment brand. We had to transition from designing for efficiency to designing for resilience by designing roles and structures around outcomes to increase agility and flexibility and formalise how processes can flex. We provided our employees with varied, adaptive, and flexible roles to acquire cross-functional knowledge and training.







## WHAT WE WANT TO ACHIEVE

## OUR FOCUS

## OUR APPROACH

- employees are educated on human rights
- no child labour is permitted
- no forced and compulsory labour is permitted
- there is zero tolerance towards human rights abuses, fraud, corruption and related activities as stated in our The Way We Work Policy, Code of Conduct and Code of Ethics

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

- Ensuring that there are no human rights infringements
- Ensure that no child labour takes place
- Ensure that there is no forced or compulsory labour
- Ensure a safe and healthy working environments

The Group confirms that there were no human rights infringements/violations for the year under review.

## HEALTH AND SAFETY



The health and safety of all employees remains of paramount importance and is one of our non-financial KPIs. As a fishing company, our employees work at sea, on locations around the coast of South Africa, in cold storage, manufacturing and processing facilities; hence health and safety is a constant concern.

Health and safety regulations are embedded in our working environment in our quest for an accident-free working environment. We assisted our fishing partners by providing education and training across the health and safety environment. In addition, we monitor and ensure that our contractors abide by our health and safety rules and regulations.

Our health and safety representatives undertook further training to ensure compliance with the protocols for COVID-19 and health and safety in the workplace. Our training interventions included first aid, firefighting, personal survival techniques, personal safety and personal responsibility and the induction of health and safety protocols in the workplace.

Despite COVID-19 related challenges, our commitment to ensuring safe working environments, especially for our seafarers, was maintained through continuous communication. We have created greater awareness of the risk exposure to COVID-19, and increased controls to proactively reduce our stakeholders' vulnerability to environmental, health and safety hazards. We have strategies in place to manage and minimise the potential impact of HIV/AIDS and the consequential loss of skills and productivity. We have an appropriate and comprehensive HIV/AIDS strategy throughout our subsidiaries.



## VESSEL SAFETY

We continue to enhance safety on our vessels under the direction and oversight of the Health & Safety Officer. We implemented measures for our fishers and vessels by incorporating local and relevant international standards based on risks identified by the company and the Authority (SAMSA). In addition, we ensured that all the safety training is up to date and is readily available for our crew in accordance with SAMSA requirements. Each vessel has a Health & Safety Representative on board who has the necessary skills and required training.



We continue to look at new initiatives for our vessels by outlining expectations of our crews in simple language, and provide updates electronically to onboard vessel safety with lessons learned from other vessels, accidents and marine notices.



## HUMAN CAPITAL (CONTINUED)

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

- reviewing the health and safety manual and updated it accordingly
- reviewing the health and safety plan taking into account COVID-19 protocols
- engaging with health and safety representatives and employees
- ensuring that the Group does routine monitoring of its machinery and ensures that they are safe and in working order through the health and safety officer
- engaging employees and managers are trained to respond to workplace emergencies and that first aid kits are readily available
- providing safety gear where applicable taking into account gender differences and the special needs of pregnant women
- ensuring that the Group provides clean and sanitary facilities appropriate to both genders
- ensuring that the health and safety representatives routinely check fire extinguishers and fire escapes
- ensuring that potable water facilities, adequate lighting, ventilation, and temperature are suitable and steady in the workplace
- reviewing internal policies and procedures
- reviewing the emergency preparedness plan and procedures for potential disasters for the building

### OUR OVERALL GROUP STATISTICS

	2021
Number of fatalities	0
Number of deaths due to COVID-19	1
Number of lost time injuries (LTIs, i.e. injuries on duty leading to at least one lost day)	30
Number of medical treatment cases (MTCs, i.e. injuries on duty leading to medical treatment but no lost days)	3
Number of first aid cases (FACs, i.e. injuries on duty leading to minor treatments such as plasters or pain tablets)	91

## INDUSTRIAL RELATIONS



The Group has formal policies and procedures in line with the Labour Relations Act.

Premier exercised its right to cancel prior Union representation due to the low number of members as it did not meet the 25-30% threshold. One subsidiary in the Group has an open relationship with the Food and Allied Workers Union.

### WHAT WE WANT TO ACHIEVE

Protect everyone in their working environment and promote economic development, fair labour practices, peace, democracy and social development.

OUR FOCUS	OUR APPROACH
<ul style="list-style-type: none"> <li>• Maintain good relations with the labour unions to ensure no tensions or threat of industrial action.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain a strong relationship with the labour union.</li> <li>• Review operational labour plans regularly to ensure continuity of service to clients.</li> </ul>

### LOOKING AHEAD

- Maintain strong relationships with various trade unions.
- Maintain compliance with the Labour Relations Act.



## EMPLOYEE BENEFITS



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

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

Refer to the Remuneration Committee Report in the Integrated Report for more information.



*Employee's participating in the "Jerusalem Challenge"*



# HUMAN CAPITAL

## (CONTINUED)

### COVID-19 AND OUR EMPLOYEES



At the start of the COVID-19 pandemic, the country's fishing industry received an exemption from the lockdown after being designated as vital to the domestic food industry by the National Coronavirus Command Council. This included the fisheries sector, harbours, fishing vessels, shipping and docking services.

Premier was regarded as an essential service provider and applied all the guidelines of the World Health Organisation, the National Institute for Communicable Diseases of South Africa and local Government. We acted quickly to ensure the health and welfare of our employees while managing potential risks and challenges.

Premier was regarded as an essential service provider and applied all the guidelines of the World Health Organisation, the National Institute for Communicable Diseases of South Africa and local Government. We acted quickly to ensure the health and welfare of our employees while managing potential risks and challenges.

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

During this period, we have had to restructure some business units.

#### COVID-19 AND OUR EMPLOYEES

The health and wellness of our employees are of extreme importance to us.

OUR FOCUS	OUR APPROACH
<ul style="list-style-type: none"> <li>We have measures in place to secure the well-being of all employees and their families.</li> <li>We have protocols and policies in place aligning with the requirements of Section 8(1) of the Occupational Health and Safety Act, No. 85 of 1993</li> <li>We continue to assist our employees with work-related and personal challenges during the COVID-19 pandemic</li> <li>We continue to assist our employees with mental health and awareness during the COVID-19 pandemic</li> <li>Daily on-site screening and the wearing of face masks are mandatory</li> <li>Transportation arrangements are in place for the most vulnerable employees</li> <li>As a result of COVID-19, some employees tested positive and had to self-quarantine. Unfortunately, we had some deaths as a result of COVID-19 and wish to extend our heartfelt condolences to the families and our colleagues</li> </ul>	<ul style="list-style-type: none"> <li>As an essential service provider, we continue to adhere to all protocols put in place at the start of the COVID-19 pandemic.</li> <li>As COVID-19 has brought about high levels of stress and anxiety to everyone, the Group has made support available for the following services which is accessible to employees: <ul style="list-style-type: none"> <li>A health line for COVID-19 support;</li> <li>Financial support; and</li> <li>Managerial advice for oversight and keeping contact during the lockdown.</li> </ul> </li> <li>We continue to assist and accommodate our employees to ensure wellness both in the workplace and at home.</li> <li>We provide access to health and wellness information.</li> <li>Remote working for employees remains in place for employees whose duties can be fulfilled at home.</li> <li>As an essential service provider, protocols have been established to ensure their safety. Teams are split and work rotational shifts.</li> <li>Due to technology, all meetings are conducted remotely.</li> <li>We continue to provide personal protective equipment (PPE) to all our employees with an increased focus on sanitation and health practices.</li> <li>Our offices are sanitised regularly.</li> <li>Social distancing remains a priority to contain the spread of the COVID-19 virus.</li> <li>We embraced technology a lot more in the way we work as remote working enables us to continue operating in the reality of continued lockdowns and keeping our employees safe.</li> <li>We continued to improve communication within the organisation to ensure that information is available in real-time as far as possible, enabling the identification of potential risks before they arise, which is vital in this dynamic COVID-19 environment.</li> </ul>

## COVID-19 AND RESPONSE STRATEGY

## COVID-19 PLAN

As an essential service provider, it is imperative that we have a best practice work procedure in place, including training for the safe return of some employees during the various levels of lockdown.

- Training for all employees.
- A phased approach to the resumption of work for office-based employees during the various levels of lockdown.
- Personal protective equipment is made available to all employees.
- We continuously monitor and ensure adherence to all protocols.
- We took the opportunity to push our catch rates during the pandemic.
- We had to stop work on the expansion of the abalone farm due to the global market and logistical uncertainties

## COVID-19 RECOVERY PLAN

- Management continues to reflect on the changes that COVID-19 has brought daily, and our recovery plan is a work in progress.
- We continue to realign our operating strategies to the constantly changing environment.
- Our method is to streamline operations and ensure survival in this volatile environment so that our businesses have the chance to continue operating in the future.

## OUR COVID-19 STATISTICS

Number of COVID-19 Certificate of Fitness assessments	7
Number of positive COVID-19 test results	67
Number of general COVID-19 tests conducted	274
Number of PCR tests (known)	3
Number of Antigen tests (estimated)	97
Number of days lost due to COVID-19 positive cases	264
Number of repeat positive cases	4
Number of recovered positive cases	64
Number of COVID-19 related deaths	1

The Social, Ethics and Transformation Committee reviews the Group's compliance with the applicable health and safety laws. In addition, the compliance department actively monitors and reports on compliance with the relevant legislation in this regard.

## EMPLOYMENT EQUITY AND TRANSFORMATION



## EMPLOYMENT EQUITY

We continue to provide equal employment opportunities and promote internal employees, and we remain committed to driving our employment equity goals and enhancing diversity across the Group.

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





# HUMAN CAPITAL

## (CONTINUED)

As part of our vision, we have various targets as well as our B-BBEE rating under the codes. We will continue to promote and drive excellence and opportunities across our workforce by:

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

## GENDER AND RACE DIVERSITY

Gender and race diversity is one of our key performance areas in a male-dominated fishing environment. We believe that gender and race diversity at all levels in the Group maximises opportunities to achieve our business goals through the diverse environments in which we operate.

Superstition among fishing crews has traditionally said that women on ships are bad luck – and it is among many of the reasons women in the fishing industry are in short supply. It is a very male-dominated industry, and many women may be intimidated by that, but that may be their own preconceptions. “Fishing” tends to be narrowly viewed as only catching fish at sea, often leaving women out of the equation, and fishing does not always appeal to women as it can be very physically demanding. Women tend to take on more essential roles like fish processing, sales and marketing, these activities are often overlooked in fisheries management and research. In addition, our fishing fleet is not conducive for women to be at sea for extended periods in terms of living and ablution facilities.

The companies in our Group remain aware of complying with the requirements of the policies for any new recruitments. In addition, we have Board-approved gender and race diversity and broader diversity policies to which we adhere.

### WHAT WE WANT TO ACHIEVE

Further promote gender and race diversity throughout the Group.

Women in the fishing and aquaculture sectors are directly involved in all the value chain processes. However, their role is not always formally recognised despite their work.

OUR FOCUS	OUR APPROACH
<ul style="list-style-type: none"> <li>• Sourcing, attracting and retaining a diverse group for business-critical positions.</li> <li>• Managing the expectations of a multi-generational workforce.</li> <li>• Accelerating the promotion of diversity given the low employee turnover across management levels and senior positions.</li> <li>• Continue to accelerate diversity to transform our succession pipeline.</li> <li>• Work towards launching a job-shadowing intervention for potential successors.</li> <li>• Work towards building an external talent pipeline for business-critical positions to support and supplement the internal talent pool.</li> </ul>	<ul style="list-style-type: none"> <li>• Diverse teams with varied experiences, styles and backgrounds are better able to understand and meet the needs of our client base, improving our ability to compete for business.</li> <li>• Transformation and diversity across the Group contribute to our relevance in specific markets.</li> <li>• Our employment equity targets go beyond compliance.</li> </ul>

### LOOKING AHEAD

- Our objective is to grow black representation and black women representation at junior and senior management levels.
- Work towards employing more women in fishing and women at fishing in relation to our vessels and various departments.
- Accelerate diversity across the Group.

## EMPLOYEE DIVERSITY AND PEOPLE WITH DISABILITIES

We believe in the power of diversity to support our businesses. We are committed to diversity through all levels in the Group, up to and including leadership. Persons with disabilities (6) represent 1.2% of our total employee population.

### WHAT WE WANT TO ACHIEVE

Diversity at all levels in the Group, up to and including leadership and employing more people with disabilities

#### OUR FOCUS

- Address the ongoing challenge to our transformation efforts with the impact of employee transfers.
- When companies are acquired, the employees associated with these transfers into our business are part of the agreement – these transactions could dramatically impact our employment equity statistics.
- Address the shortage of specific skills in various business units.
- Continue to improve our recruitment process to accommodate people with disabilities.

#### OUR APPROACH

- To address these challenges, we continue to focus on growing talent that complements our transformation efforts through initiatives such as our learnership and internal development programmes.
- Continue to employ people with disabilities.

### LOOKING AHEAD

- Entrench our transformation plans.
- Address specific skills shortages.
- Employ more people with disabilities.

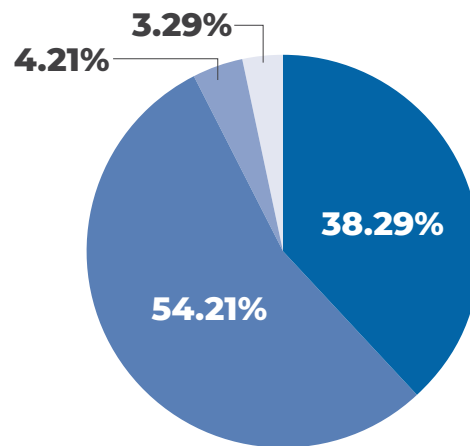
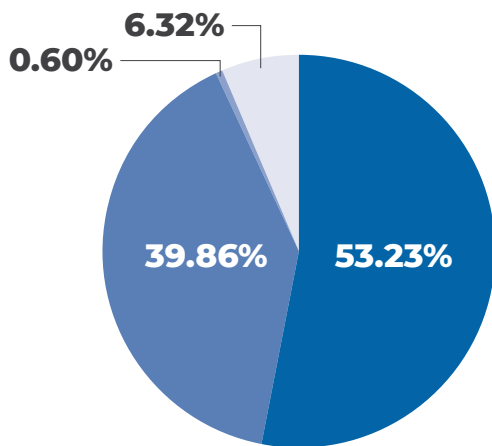




# HUMAN CAPITAL

(CONTINUED)

DESIGNATED GROUPS					DESIGNATED GROUPS				NON-DESIGNATED GROUPS		
									FOREIGN NATIONALS		
	MALE				FEMALE				MALE	FEMALE	
CATEGORY	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	OTHER	OTHER	TOTAL
Board executives	0	1	1	3	0	1	0	0	0	0	6
Senior management	2	10	0	21	1	2	0	1	0	0	37
Middle management	6	21	0	6	3	5	0	3	0	0	44
Skilled upper (junior management)	12	18	4	3	11	11	0	1	0	0	60
Semi-skilled	28	61	0	1	11	7	0	5	0	1	114
Labour/unskilled	79	88	0	6	29	30	0	1	0	0	233
Seasonal	264	79	0	0	0	0	0	1	0	0	344
<b>TOTAL</b>	<b>391</b>	<b>278</b>	<b>5</b>	<b>40</b>	<b>55</b>	<b>56</b>	<b>0</b>	<b>12</b>	<b>0</b>	<b>1</b>	<b>838</b>



2021	NUMBER	%	2020	NUMBER	%
African	446	53.23	African	291	38.29
Coloured	334	39.86	Coloured	412	54.21
Indian	5	0.60	Indian	32	4.21
White	53	6.32	White	25	3.29
<b>TOTAL</b>	<b>838</b>	<b>100.00</b>		<b>760</b>	<b>100.00</b>
Total females	124	14.80	Total females	328	43.16
Total males	714	85.20	Total males	432	56.84
<b>TOTAL</b>	<b>838</b>	<b>100.00</b>	<b>TOTAL</b>	<b>760</b>	<b>100.00</b>











# SOCIAL AND RELATIONSHIP CAPITAL

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## *Introduction*

*Our social and relationship capital highlights, outcomes and actions*

*Our stakeholder relationships*

*Enterprise and supplier development*

*Sustainable fishing and our value chain*

*Socioeconomic development (SED)/ corporate social investment (CSI)*





# SOCIAL AND RELATIONSHIP CAPITAL

## INTRODUCTION

Our strategic focus on being an exemplary custodian assists us in managing our impact on the communities around us and actively contributing to their socioeconomic development through various initiatives.

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

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

## OUR SOCIAL AND RELATIONSHIP CAPITAL HIGHLIGHTS, OUTCOMES AND ACTIONS

### OUR APPROACH TO SOCIAL AND RELATIONSHIP CAPITAL

Our approach to managing our social and relationship capital in the Group is to:

- Provide support to small-quota holders;
- Provide support to the communities in which we operate;
- Procure goods and services from previously disadvantaged individuals and companies;
- Provide bursaries to our employees through the Premier Fishing Bursary Programme;
- Provide learnerships to deserving individuals;
- Fund junior soccer teams as part of our sports development drive in Saldanha Bay;
- Fund sports development activities at primary schools in Gansbaai;
- Maintain positive relationships with representatives from the various unions;
- Maintain positive engagement with the Department of Agriculture, Forestry and Fisheries (DAFF); and
- Provide support to other sport and recreational codes, provided that it is for a good cause.

### HIGHLIGHTS ON THE PROGRESS ON OUR SOCIAL AND RELATIONSHIP IN 2021

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

**MATERIAL MATTERS**

- Compliance with laws and regulations
- Ethical and transparent leadership
- Corporate governance practices
- Social community and economic development
- Transformation and diversity
- B-BBEE
- Collaborative stakeholder engagement
- Corporate social investment (CSI)
- Support independent SMMEs
- Support enterprise development programmes

**KEY PERFORMANCE INDICATOR**

- Ensure compliance with laws and regulations by adhering to ethical standards and preventing corruption
- Ensured an ethical and transparent leadership team
- Monitor and ensured that corporate governance practices are adhered to through policies and procedures that are in place
- Drive diversity and transformation throughout the Group to meet targets
- Drive the CSI strategy across the Group through social, community and economic development
- Paying our taxes and royalties to the Government
- Meeting our B-BBEE targets in the Group
- Support local business and promote social and economic development through positive stakeholder engagement
- Provide employment opportunities and skills development for community members in which the Group operates
- Provide training and development through our bursary and learnership programmes
- Support independent SMMEs through financial and infrastructure support

**2021 PROGRESS**

- We implemented specific procurement and loan financing programmes to support SMMEs through our enterprise development
- We engaged with small fishing communities and provided financial assistance
- We continued to engage with investors to ensure that our shareholder expectations were aligned with our strategies
- We ensured that we operated ethically and had transparent leadership
- We continued to drive diversity and transformation in our businesses
- We contributed R4 284 746 to enterprise development
- We contributed to supplier development through our procurement spending
- We contributed to socioeconomic development through our CSI initiatives
- We continued to prioritise our social investment projects in skills development, community development and the environment through our strategy across the Group and created value through socio-economic investment
- We focused on improving educational outcomes in the Western Cape, the Overberg region, and the Eastern Cape through training
- We continued to support an early childhood development (ECD) facility
- We ensured a closer working relationship with regulators
- We fostered positive employee and union relationships
- We supported local businesses and promoted social and economic development
- We supported SMMEs with interest free loans through our enterprise development
- We provided employment opportunities, learnerships and skills development
- We continued to create awareness of the Code of Ethics and Code of Conduct, including the whistle-blowing facility
- We continued to create awareness of The Way We Work Policy
- We had no breach of ethical standards or corruption reported
- We effectively monitored our risk management and regulatory compliance
- We paid our taxes and royalties to the Government
- We maintained constructive relationships with our partners, business peers and sector organisations
- We spent R1 085 400 on bursary and learnership programmes

**WHAT ARE THE RISKS RELATED TO OUR MATERIAL MATTERS?**

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





## SOCIAL AND RELATIONSHIP CAPITAL (CONTINUED)

### ACTIONS AND OPPORTUNITIES THAT ENHANCED OUR OUTCOMES

- Being a responsible corporate citizen by investing in social services in our communities and creating value
- Promoting social and economic development by assisting small-quota holders and businesses in growing and adding value
- Delivering on diversity and transformation
- Delivering on our B-BBEE targets
- Paying our taxes and royalties to the Government will contribute to social needs
- Providing employment opportunities and skills development for our employees
- Investing in our youth by facilitating access to higher education through our bursary and learnership programmes
- Ongoing proactive and transparent relationships with our regulators
- Fostering synergistic relationships between private and public sectors
- Fostering an entrepreneurial culture

### OUTCOMES OF OUR ACTIVITIES ON SOCIAL AND RELATIONSHIP CAPITAL

		2021	2020
Social investment expenditure	Rands	*5 266 892	*1 078 198
Enterprise development	Rands	4 284 746	9 026 000
Expenditure for procurement	Rands	128 374 502	89 324 885
Value of total taxes paid in South Africa	Rands	57 789 969	11 044 000

*\*The figure of R679 442 in the Integrated Report only covers social development, nutrition and other, and does not include education, health and skills development.*

### OUR STAKEHOLDER RELATIONSHIPS

We appreciate the role of our stakeholders and are committed to nurturing impactful relationships that deliver mutual benefits and encourage transparent, objective and relevant communication. We recognise the importance of building and maintaining trust and respect with our various stakeholders. We strive to respond timeously and appropriately to issues raised in our interactions with our stakeholders.

Our stakeholder management approach involves gaining a thorough understanding of our stakeholder's needs and expectations, addressing those needs and expectations, and identifying and acting on opportunities of mutual benefit.

Our stakeholder engagement involves identifying stakeholders who have the most significant impact on our business. Our engagement includes communicating our strategy, performance, decisions, and activities that significantly interest our stakeholders and understanding their needs and perspectives.

We addressed essential risks and opportunities and responded timeously and appropriately to issues raised in our interactions with our various stakeholders.









# SOCIAL AND RELATIONSHIP CAPITAL (CONTINUED)

## SHAREHOLDERS

We have a broad shareholder base, which includes individuals, institutional investors, private and public companies

### Stakeholder

Engagement was done through formal and informal interactions, including:

- Engagement with stakeholders;
- SENS announcements;
- Print media;
- Site visits;
- Road shows;
- Ad hoc meetings as requested;
- Our website [www.premierfishing.co.za](http://www.premierfishing.co.za)

### Primary concerns and expectations

- Sustainability of the business;
- Return on capital invested
- Optimal capital allocation and management
- Execution of growth strategies
- Appropriate risk identification and management processes
- Good corporate governance

### Expectations managed

- Sound corporate governance rules are implemented in the business
- Increase in profit of after tax of 5%
- Currently in progress with implementing growth strategies
- Dividends of 50 to 60 cents per share

#### Value for Premier

Supply of capital  
Low geared balance sheet

#### Value for Stakeholder

Capital growth  
Dividends  
Return on investment

## GOVERNMENT AND REGULATORY AUTHORITIES

Including: DAFF, SARB, SARS SAMSA, MCM, NCRS  
Accreditation: HACCP, FDA, SABS, NCRS

### Stakeholder

We engage with them through various forums, including:

- Emails and telephonic conversations
- Site inspections and audits
- Industry association meetings

### Primary concerns and expectations

- Compliance with laws and regulations of authorities

### Expectations managed

- Continuous training of management and staff responsible for compliance with various regulations by the respective authorities
- Immediate corrective action noted in the event of findings raised by authorities
- Participation in industry working groups
- Meeting with industry regulators

#### Value for Premier

- Favourable legislation and less interference
- Repeated utilisation of fishing quotas

#### Value for Stakeholder

- Contribution to taxes supports job creation
- Other strategic initiatives
- Payment of landing levies and taxes

## CUSTOMERS

We have a wide array of both foreign and local customers.

### Stakeholder

We engage with them through various forums, including:

- Emails and telephonic conversations
- Contract negotiations and ongoing interactions in the ordinary course of business
- Meetings, including site visits and one-on-one engagements

### Primary concerns and expectations

- Delivery of quality products and services
- Price competitiveness
- Leveraging of our B-BBEE credentials
- Adherence to regulatory requirements, good corporate governance and ethics
- Reliable long-term supply of products

### Expectations managed

- Ensured that inventory is available
- Ensured that all products supplied have the legal paperwork from the relevant authorities in place
- Ensured that products are safe to consume and consistent with the Premier quality and brand
- Ensured adherence to all necessary standards, such as HACCP, SABS, FDA and EU standard tests
- Complied with international laws, regulations and legislation.

#### Value for Premier

- Repeat business and revenue growth
- Understanding trends and opportunities
- Improved ability to compete
- Reputable brands

#### Value for Stakeholder

- Quality products and services
- Fair prices
- Correct labelling
- Better products and services

## SUPPLIERS

We have a wide range of suppliers, we source products and services mainly from empowered local suppliers.

### Stakeholder

We engage with them through various forums, including:

- Emails and telephonic conversations
- Contract negotiations and ongoing interactions in the ordinary course of business
- Meetings, including site visits and one-on-one engagements
- Supplier audits
- Service-level agreements

### Primary concerns and expectations

- Long-term security of supply
- Fair treatment and fair payment terms
- Entrepreneurship and supplier-development programmes
- Commitment to B-BBEE policies

### Expectations managed

- Ensured that we sourced supply with reputable businesses – Code of Ethics
- Fully committed to B-BBEE
- Made fair and timeous payments
- Implemented several entrepreneurship and supplier-development programmes

#### Value for Premier

- Good service
- Committed and consistent supply
- Good pricing
- Good-quality products

#### Value for Stakeholder

- Fair allocation of business pay on time
- Zero corruption

## EMPLOYEES AND TRADE UNIONS

We have permanent and seasonal workers as well as contracted fishermen.

### Stakeholder

Communication channels include:

- Emails and notice boards
- Internal meetings with trade union representatives take place on a regular basis
- Performance reviews and feedback sessions
- Company website
- Induction programmes
- Role blueprints, including job grading and job specification requirements
- Training and development sessions

### Primary concerns and expectations

- Career development opportunities including skills training
- Job security
- Market-related salaries and wages and equal pay
- Health and safety
- Transformation and diversity
- Involvement in secondary and tertiary education programmes
- Employee wellness programmes
- Corporate social investment in communities
- Employee engagement and communication – the importance of open and honest feedback

### Expectations managed

- The Group embarked on updating role blue prints, benchmarking and evaluation measures and identifying further skills development plans
- We focus on health and safety standards and procedures and ensure that working conditions are acceptable
- We made a substantial investment in skills development
- The Group also has a bursary programme which facilitates higher education
- We have also implemented a wellness clinic at our abalone farm.

#### Value for Premier

- Engaged and motivated employees
- Ability to attract and retain key skills

#### Value for Stakeholder

- Fair pay
- Interesting work
- Growth and development, equal treatment
- Health and safety

## LOCAL COMMUNITIES AND OTHER SMALL QUOTA HOLDERS

This is the community in which we operate, including small-quota holders.

### Stakeholder

We engage with the community through direct one-on-one meetings and through roadshows at community centres as well as via:

### Primary concerns and expectations

- Social-investment programmes
- Job creation
- Enterprise development

### Expectations managed

- Regular donations to sports-development programmes in the communities of Saldanha and Gansbaai
- School donations and support programmes in the communities of Hawston and Gansbaai
- Creation of job opportunities through the abalone farm expansion
- Free administration-support services and technical training to contracted small-quota holders

FDA Food and Drug Administration HACCP Hazard Analysis and Critical Control Points MCM Marine Coastal Management NRCS National Regulator for Compulsory Specifications SABS South African Bureau of Standards SAMSA South African Maritime Safety AuthoritySARB South African Reserve Bank SARS South African Revenue Service





## SOCIAL AND RELATIONSHIP CAPITAL (CONTINUED)

### FORTUNE FAVOURS PREMIER

*"What differentiates Premier from other similar medium-sized businesses, is that they listen to what we need and do the best they can to meet our collective needs."*

Ousted from their homes in District 6 during the apartheid era, many of South Africa's fishing families were re-located to places like Saldanha, Gansbaai and Kalk Bay to continue their craft. One such family are the Fortunes, now headed up by Ishmael Fortune, a 3rd generation fisherman, who had initially found themselves in the picturesque deep south village of Kalk Bay.

The Fortunes quietly went about their business. In Summer, they would sell their hake and snoek, and in Winter, abalone or "perlemoen" was the staple diet – until that is, the government came along and put a price tag to the fish that the fishers were harvesting from the ocean.

Up until 1994, quota systems regulated who got what, with expensive resources set as a condition on which allocation rights would be distributed. On 1 September 1998, the Marine Living Resources Act came into operation. Although having the right intentions, several contestable issues were highlighted, like a "balance between the rights of the individual rights-holder and those of the State."

In the beginning, the Fortune family were allocated 10 tons Total Allowable Catch (TAC) of lobster, however, in 2021, this 'allocation' was slashed to 1564 kg (around 1.5 tons) with possible further cuts in the pipeline.

'Rights holders' encompass commercial fishing organisations and small-scale fishers, who like the Fortune family, have fished for many generations. Yet, despite their undeniable legacy, small-scale fishers are not yet fully recognized as a formal sector. This puts them at a distinct disadvantage when slogging it out with the big guys for, what potentially, are their inherent right to the fishing pie.

Ishmael Fortune remembers how, through extreme hard work, his father bought his own fishing vessel, the "Tajmahal". Sixteen of the family members worked on the vessel deriving their income.

"During the first batch of quotas, subsistence fishermen were requested to have a working vessel. My family and the community pooled our resources together to be able to catch hake longline, because government said we must have a vessel. Then, we were told that we no longer needed a vessel.

"The last application asked whether the applicant has land-based assets and fishing vessels too. We struggled but, I was successful in purchasing a factory in Saldanha Bay. After spending all our savings, today, the application form no longer asks for land-based assets.

"Fishing communities are in crisis" commented Fortune. "This has been made worse by the pandemic and continued illegal poaching, to the point where lobster and abalone resources are on the brink of collapse."

Also adding extra pressure to these smaller fishing communities, is the fact that with international markets being restricted in 2020 and 2021, there is now an over-supply of lobster products in the local market. Prices of lobster and abalone have been greatly affected too, as trade with China came to a halt because of the country's restrictions during Covid, coupled with low local demand which has driven prices down.

Aside from this, many of these small-scale fisheries also lack the means to process, cold store and market their catch. Left with no other alternative, they partnered with commercial organisations. Fortune explains the initiative they started 26 years ago: "We decided to form a conglomerate and work with the big commercial fishing companies, most of who, gave us the raw end of the deal. That was, until I met up with Premier Fishing."

Premfresh, a division of Premier Fishing and Brands, has worked with Ishmael since 1995 and since 2003, the company has played an instrumental role in assisting other smaller rights holders establish their own businesses in respect of managing their Rights.

In the past 5-years, Premier has also increased its engagement with small-scale Rights Holders who fall within the



*Ishmael Fortune*

West Coast Rock Lobster (WCRL) sector, for example, providing them with marketing services, operational support services, sales, and financial advice and training. Premier also provides a “voorskot” so that they can play a more pronounced role in the mainstream economy.

Fortune, a man of few words, becomes animated, explaining that: “What differentiates Premier from other similar medium-sized businesses, is that they listen to what we need

and do the best they can to meet our collective needs. The company is committed to the sustainability of small-scale fishers, and in assisting us Rights Holders to operate in a viable manner, with more of us able to sustain our livelihoods, thereby reducing negative social impact on our families and communities.”

The small-scale fishers who approached Premier for assistance more than 20 years ago, are still with the company.



# SOCIAL AND RELATIONSHIP CAPITAL (CONTINUED)

## ENTERPRISE AND SUPPLIER DEVELOPMENT

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

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

Some of our socioeconomic development initiatives include:

- ongoing support of an ECD facility;
- learnership programmes which raise the skill levels of previously disadvantaged individuals;
- organisational involvement and sponsorship of start-up workshops held annually;
- supporting entrepreneurs as they extend their product offering;
- full administration support and services – including infrastructure for small scale fishers;
- bursary programmes;
- imparting skills and resources to small businesses to improve business management capacity;
- offering learning programmes; and
- helping to develop small businesses.

Our vision includes various initiatives. Below are some high-level strategic focus areas:

- Continue to support the communities within which we operate
- Assist with access to resources – financial and in-kind
- Support entrepreneurs and assist with their development
- Assist with infrastructure development
- Provide learnership programmes
- Provide bursaries
- Provide internship programmes
- Continue to provide administrative support and services, including infrastructure

## ENTERPRISE DEVELOPMENT

Enterprise development is an essential element of our economic growth. This is done by investing time, knowledge and capital to assist SMMEs in establishing, expanding or improving their businesses and empowering modest income-generating informal activities to grow and contribute to the local economy.

The Group has several enterprises and suppliers that are more than 51% black-owned, which are small to medium enterprises that it supports with providing business development or providing low-interest loans that enable the business to purchase equipment and provide products and services more efficiently and at a cheaper cost.

Some of these financial advances include:

- To one of our manufacturers to run their business, as we use them to manufacture our nets, and we recover the financial assistance from them;
- To contracted quota holders to assist them in diving for abalone, which the Group assists with marketing and export of the product; and
- To contracted lobster quota holders to assist them in fishing for lobster, which the Group assists with marketing and exporting their product.

Our preferential procurement contributed to black-owned businesses development by directing spending to HDSA-owned businesses. We continue improving on our supplier development initiatives. All our subsidiaries adhere to the Group's procurement policy. We encourage our suppliers to be evaluated to determine the extent of their transformation. We only accept B-BBEE verification certificates from an accredited verification agency based on the gazetted B-BBEE codes that are acceptable.

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

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

We continue to pursue partnerships with key stakeholders and form joint venture initiatives to promote localisation. In addition, our business units continue to engage with their principals to identify local manufacturing opportunities and promote skills transfer in line with South Africa's National Development Plan 2030.

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

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

## SUPPLIER DEVELOPMENT

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

We implemented entrepreneurship and supplier-based development programmes.





## SOCIAL AND RELATIONSHIP CAPITAL (CONTINUED)

### B-BBEE

We ensured compliance with amended B-BBEE Codes of Good Practice as revised from time to time and continue to drive our B-BBEE targets throughout the Group. We are fully committed to B-BBEE and have policies, including a work plan to meet targets. We tried to ensure that we received maximum points for all the elements of our B-BBEE Certificate and attained a Level 1 accreditation.

### PERFORMANCE AGAINST THE DTI'S SCORECARD

PFB's three major subsidiaries, Premier Fishing SA (Pty) Ltd, Marine Growers (Pty) Ltd and Talhado Fishing Enterprises (Pty) Ltd all achieved level 1 accreditation.

B-BBEE SCORECARD	B-BEE TARGET POINTS, INCLUDING BONUS POINTS	PREMIER FISHING SA PERFORMANCE	MARINE GROWERS' PERFORMANCE	TALHADO'S PERFORMANCE
Ownership	25.00	25.00	25.00	25.00
Management control	19.00	11.74	13.16	11.78
Skills development	25.00	14.14	30.00	15.86
Procurement, enterprise and supplier development	44.00	36.79	18.26	33.42
Socioeconomic development	15.00	15.00	15.00	15.00
TOTAL	128.00	102.67	101.42	101.06
B-BBEE level achieved		1	1	1

Areas for improvement include

- Management control – black female – middle management
- Skills development
- Enterprise and supplier development.

The B-BBEE Certificates can be found at: <https://premierfishing.co.za/bee-certificate/>

Addressing gender inequality and empowering women in the fishing industry is an essential first step before approaching other complicated issues in the fishing chain.



**WHEN I GROW UP  
I WANT TO BE  
A SKIPPER JUST  
LIKE MY DAD**



# SOCIAL AND RELATIONSHIP CAPITAL (CONTINUED)

## SUSTAINABLE FISHING AND OUR VALUE CHAIN

### FISHING VALUE CHAIN

#### Natural resource (marine resources) catching and procurement of lobster, squid, hake and small pelagics

1. Our fishing vessels are efficiently utilised to harvest and land allocated quota in the form of either live or frozen fish.
2. Through maintaining strong relationships with quota holders, we procure stock from third party quota holders.

#### Processing

1. Live fish is landed in oxygenated seawater tanks, stored, purged and prepared for export.
2. Whole frozen and lobster tails are processed for the export market.
3. Lobster is graded according to size and packed in our branded boxes for the export market.
4. Raw small pelagics are delivered to our customer factory for processing.

#### Outputs

Live lobster  
Frozen lobster tails  
Frozen whole lobster  
Frozen lobster heads  
Frozen squid  
Frozen hake  
Pilchards  
Anchovy

### AQUACULTURE VALUE CHAIN

#### Breeding and procurement

1. We utilise scientific methods to induce the breeding of male and female abalone in order to produce spat.
2. Through maintaining strong relationships with other abalone farmers, we procure additional spat when the need arises.

#### Breeding and procurement

1. The best quality feed is procured and fed to our animals.
2. We continuously monitor the size of the animals until they reach a size preferred by the market.
3. We harvest abalone as live animals, process these at our own facility and package them in our branded boxes for the export market.
4. We harvest abalone as live product and outsource the processing for canned and dried abalone for the export market.

#### Outputs

Live abalone  
Canned abalone  
Dried abalone  
Frozen abalone

### FERTILISER VALUE CHAIN

#### Procurement

1. Through maintaining a strong relationship with other fishing companies, we are able to procure fish concentrate (a by-product of the fishmeal process) from them.

#### Processing

1. We utilise our plant facilities and skills to process the fish concentrate to liquid fertiliser (Seagro).
2. The liquid fertiliser is packaged and branded in our bottles.

#### Output

Liquid Seagro fertiliser



## Branding, Sales and Marketing

Our experienced and skilled marketing team sells our high-quality products at competitive market prices. Income is generated from processing, marketing and selling third-party quota holder's fish.

Income is generated from hiring out part of our cold storage facilities to third parties.

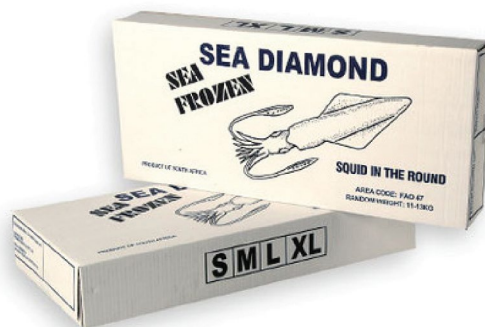
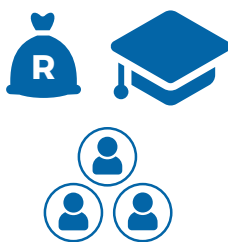
Income is also generated from catching third-party quota.

### Key Capitals

Financial Capital

Intellectual Capital

Social & Relationship Capital



## Branding, Sales and Marketing

Our experienced and skilled marketing team sells our high-quality products at competitive market prices.

### Key Capitals

Financial Capitals

Intellectual Capitals



## Branding, Sales and Marketing

Our experienced and skilled marketing team sells our high-quality products at competitive market prices.

### Key Capitals

Financial Capital

Social & Relationship Capital







## SOCIAL AND RELATIONSHIP CAPITAL (CONTINUED)

### SOCIO-ECONOMIC DEVELOPMENT (SED)/CORPORATE SOCIAL INVESTMENT (CSI)

The Group participated in the following CSI initiatives during the year:

#### PREMIER FISHING BURSARY PROGRAMME

This bursary programme offers employees the opportunity to enhance their skills and pursue a degree in higher education through colleges and universities. The bursary programme also assists employees in educating their dependants who wish to study at a tertiary institution.

The bursary also includes dependants in Grades 11 and 12 wanting to qualify for future higher education by assisting them with additional lessons.

This year the bursary programme assisted 23 employees to further educate their dependents who wish to study at tertiary institutions. Since its inception, the bursary programme has assisted more than 29 dependents.

#### NERISHA DANIELS – BURSARY RECIPIENT SUCCESS STORY

"I journeyed with Premier Fishing as a financially assisted student from 2017 to early 2020. The study period Premier Fishing afforded to me funded my first degree and allowed for my intellectual and internal investigation into my future career. In 2019 I graduated from the University of Cape Town with a Bachelor of Social Science, Politics & Governance and Law Degree. Despite the COVID-19 pandemic, I completed my Postgraduate Diploma in Public Law through the University of the Western Cape and am now practicing law".



#### PREMIER FISHING LEARNERSHIP PROGRAMME

The Premier Fishing Learnership Programme for unemployed learners concentrates on advancing skills contributing to society. For the year under review, 16 learners concluded their learnership programme through Training Force.

## NATIONAL SEA RESCUE INSTITUTION (NSRI)

We are a Gold Sponsor to the NSRI as we are passionate about what they do.

The NSRI is a volunteer rescue organisation that is on call 24/7. Their mission is to save lives in South African waters. They also educate communities and strive to innovate, evolve, and extend their water safety initiatives through employment and visibility. More than 1 350 unpaid volunteers man the NSRI at over 50 rescue bases, including satellite or auxiliary stations and inland dams. In addition, they have more than 20 Lifeguard Units around the country.

The NSRI assists commercial trawlers and leisure yachts and activates for fishermen, swimmers, anglers, hikers, paddlers and surfers. They mobilise for swift-water and flooding scenarios, fires on vessels, and medical evacuations off ships and coastal clifftops. Families and communities are impacted emotionally and economically when lives are lost. Through water-safety education and active rescue, they can save lives, change lives and create futures.



## TALHADO CHILDREN'S HAVEN

Talhado Children's Haven or 'Speel Kliniek' as the children call it, was started in 1998 by Child Welfare as a children's clinic at the request of mothers living in Sea Vista. At the time, no doctor was attending the government clinic in the area, and mothers had to take their sick children to Humansdorp if they needed the services of a doctor. Toys were provided for the children to play with while they waited for the doctor, and this led to the aftercare center (or 'Spiel Kliniek' as the children like to call it!) when it became apparent that many of the children did not have access to toys at home and many were left at home on their own after school while mothers worked. In 1999, the principal of Sea Vista Primary School (Afrikaans medium school) approached the Haven and requested that they start a Pre-Primary School as children attending school in Grade 1 at that time did not have the skills necessary for starting school.



At that stage, the Haven was run by voluntary community members. They were reluctant to employ a teacher as they did not enjoy regular funding. This all changed when Talhado Fishing Enterprises (Talhado) was approached. It was then possible to use the regular funding from Talhado to pay for a teacher, and thus, the Talhado Pre-Primary School opened its doors in 2000 to its first twenty-five pupils and one teacher. A new classroom was built in 2008 funded by WBHO and a couple from Norway.

In 2017, the programme evolved, and officially Talhado Montessori School was established with two classrooms and certified teachers. Talhado is now the feeder school for Sea Vista Primary School in St Francis Bay and Mzingizi Primary School in Humansdorp. In addition, some of our learners are now attending Stulting Primary school in Humansdorp, and a few have even earned bursaries for the exclusive private school, St Francis College. The school serves the community of Sea Vista and Zwelitsha (informal settlement), mainly Afrikaans or Xhosa speaking. Pre-primary classes are taught in Afrikaans and Xhosa.



## SOCIAL AND RELATIONSHIP CAPITAL (CONTINUED)

### SIYALOBA TRAINING ACADEMY

Siyaloba Training Academy was established as a sustainable non-profit organisation in 1999. Their passion and promise is to improve lives through quality, relevant, accredited training for all. Over the past two decades, Talhado established a reputation for delivering quality training to the private sector, and through funded initiatives, to address the skills development needs of coastal communities.

Today, Siyaloba Training Academy is a professional and credible skills development institution for all industries and a B-BBEE partner of choice.

Talhado is a proven partner of choice to the communities they serve and are proud to have a solid track record of large-scale community development project success.



The Academy's headquarters are in the Port Elizabeth harbour. From here, they serve their clients and coastal communities in the area between East London and Mossel Bay, with portable training taken nationally to remote areas in which poverty is most rampant. Profits are channelled to skills development projects that address social impact within vulnerable communities.

Talhado's product offering includes accredited maritime training, SETA learnerships, AET and adult literacy interventions and short courses including life skills, business training, computer skills and professional project management

Siyaloba Training Academy is:

- fully accredited as a professional training centre with Transport SETA (TETA);
- an accredited provider with South African Maritime Safety Authority (SAMSA); and
- has programme approval with Services SETA to present learnerships and skills programmes.

Siyaloba is registered as a Section 21 (non-profit), Public Benefit Organisation and a SARS Section 18A beneficiary in terms of its commitment to communities in need and its training and development initiatives.

### SALDANHA BAY RUGBY CLUB

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





## SOMERSET HOSPITAL

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

## GANSBAAI AND HAWSTON PRIMARY SCHOOLS

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



## SMALL QUOTA HOLDERS

Many of the small quota-holders do not have the infrastructure to catch their total allowable catch. We continued to assist small-quota holders in the communities we operate in by entering into agreements to catch, process and market their West Coast Rock Lobster and wild abalone. In addition, we provide administration services, training and other services to small-quota holders and fishers. We assist the small-quota holders with ensuring that their businesses are compliant with prevailing laws and regulations.

## “VOORSKOT”

We provided “Voorskot,” an advance of working capital to previously disadvantaged fishermen in the local and surrounding fishing communities in which we operate.

## OTHER - DIRECT SUPPORT FOR NGOS AND COMMUNITY GROUPINGS

The Group acknowledges its responsibility to the social upliftment of the communities within which it operates. Through the continuation and expansion of its social responsibility programmes, we provided donations or other support to various individuals and communities. For example, we sponsored a local “dart” player to participate in the World Dart Championships. We also assisted ex-employees in the Port Nolloth area by paying the municipality on their behalf.









# INTELLECTUAL CAPITAL

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*Intellectual property*

*Product responsibility*

*Brands*

pilo

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## INTELLECTUAL PROPERTY

Our intellectual property is considered intangible assets owned and legally protected by our Company from external use or implementation without our consent. It is used to drive our profits, gain new customers, create new products and services and improve our businesses.

These include:

- Our patents and trademarks;
- Our business processes and systems; and
- Our highly skilled and experienced employees

## OUTCOMES OF OUR INTELLECTUAL PROPERTY

		2021	2020
Patents and trademarks	Number	20	20

## OUR ACTIONS

- We protect our intellectual property with state-of-the-art IT systems;
- We have strong customer relationships; and
- We have HACCP approved production facilities and processes in place

## PRODUCT RESPONSIBILITY

Our business culture and environment have seen us adapt to the changing environment in which we operate. We have respect for preserving value for future generations in fish stocks and the ocean's ability to replenish and renew itself in trying conditions. Consequently, we do not over-fish on our total allowable catch or purchase poached fish resources.

We have various processing plant facilities in Cape Town, Humansdorp, Port, Elizabeth, Saldanha Bay and Gansbaai. We also have cold storage facilities in Cape Town.

We ensure that our products are safe for human consumption, and we have had no incidents of contaminated products since inception.



## BRANDS

### “The First Choice”







Premier Fishing SA (Pty) Ltd owns medium to long-term fishing rights for South Coast Rock Lobster, West Coast Rock Lobster, small pelagics, hake trawl, hake inshore, squid and large pelagics.

Marine Growers (Pty) Ltd is the aquaculture business unit of the Group. Our hatchery breeds cultivated abalone for the export market. In addition, we produce spat (baby abalone), and our abalone is reared for 20 to 30 months before being exported. The canning of our abalone is outsourced to a third-party.

Talhado Fishing Enterprises (Pty) Ltd undertakes the catching, processing and marketing of squid with sea and land-based freezing facilities.

Seagro procures fish concentrate from one of our customers to produce our organic Seagro fertiliser.

Our brands are world-renowned, with our main markets being the United States of America, China, Hong Kong, Europe and South Africa. Our brands include:

BRAND	PRODUCT	COUNTRY
	South Coast Rock Lobster	United States of America
	West Coast Rock Lobster	China, Hong Kong & Japan
<b>SEA DIAMOND</b>	Squid	Europe & Japan
	Pilchards and Anchovy	South Africa
	Hake	Europe
 Growing gardens organically	Seagro	South Africa
 <small>Marine Growers a subsidiary of Premier Fishing SA (Pty) Ltd</small>	Abalone	China, Hong Kong & Taiwan







# NATURAL CAPITAL

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*Introduction*

*Highlights on the progress on our natural capital in 2021*

*Sea/Water*

*Waste*

*Carbon emissions*

*Climate change*

*Outcomes of our natural capital*

*Our actions that enhanced our outcomes*

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## INTRODUCTION

As a fishing company, our primary source of income is from the ocean and the harvesting, processing and sales of our product basket. Therefore, we ensure that we fish responsibly and that our products are safe for human consumption.

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

We have a zero tolerance approach to illegal and unregulated fishing practices as this undermines fish stocks and negatively impacts food security. In a highly regulated operating environment, we ensure full legal compliance with all regulatory bodies.

## HIGHLIGHTS ON THE PROGRESS ON OUR NATURAL CAPITAL IN 2021

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



**MATERIAL MATTERS**

- Total allowable catch (TAC) and effort based catch
- Renewal of Fishing Rights Allocation Process
- Small-quota holders
- Energy consumption and efficiency through the use of alternative energy in our operations
- Manage our water consumption
- Manage our hazardous waste
- Carbon emissions
- Waste management
- By-catch

**KEY PERFORMANCE INDICATOR**

- Catching our entire TAC and increasing our effort based catches
- Recruitment of additional small quota holders
- Effective environmental management system
- Waste and electricity management
- Allocation of capital to address long-term goals
- Waste management
- Effective water usage
- Collaborate and partner with others to find innovative solutions related to our processes and by-products

**2021 PROGRESS**

- Caught our allocated TAC for the year
- Increased our small quota holders
- Continued with the implementation of renewable energy solutions
- Production of human-safe products
- We collaborated with industry partners to enhance our impact
- Environmentally-friendly products
- Reviewed and implemented further additions to the environmental management system
- Reduced electricity consumption through the installation of solar energy at the abalone farm
- Reduced water consumption
- Capital allocated for the implementation of long-term goals
- We promoted responsible fishing practices across our supply chain
- We created awareness amongst our seafaring employees to fish responsibly

**WHAT ARE THE RISKS RELATED TO OUR MATERIAL MATTERS?**

- The following risks cannot be partly or fully mitigated as it falls outside of our control:
- Reallocation of long-term fishing rights
  - Red tide (ocean-related)
  - Marine resources
  - The uncontrollable cost of electricity and load shedding
  - The uncontrollable costs of petrol and diesel
  - The uncontrollable cost of water
  - The extent of future water scarcity in the country
  - The effects of climate change on sustainability
  - Change in regulatory requirements
  - Environmental challenges including carbon emissions impact, waste management and coastal marine management
  - The abalone farm is dependent on electricity 24 hours per day, and the goal is to offset as much as possible through solar installations

**WHAT ARE THE OPPORTUNITIES CREATED BY THE MATERIAL MATTERS?**

- Favourable quota allocation will substantially increase revenue and will also present an opportunity for more spend on SMMEs, social and economic investments
- Further implementation of renewable energy through a phased approach at the abalone farm
- Expansion of the abalone farm
- Identified monitoring and measuring programmes to increase our environmental accountability and sustainable fishing practices
- Convert natural capital into financial and societal value by deploying technology and other resources
- Implement innovative procedures to reduce electricity and water consumption
- Leveraging industry expertise on waste management
- Leveraging industry expertise on alternative water and energy resources
- Increase production in organic environmentally sustainable products.

We do not currently invest in research and development due to the nature of our business and the maturity and efficiency of our processes.



## SEA/WATER

Our water consumption is mainly potable for our employees and production facilities.

We use seawater at our abalone facility for the growing of spat in the tanks. The water is pumped from the ocean through channels into the various tanks. We do not discharge effluent water back into the ocean as this will affect marine life.

## WASTE

The amount of waste generated and disposed of by Premier is minimal and no measures are in place to measure and/or report the volume of waste sent for recycling. It is important to note that the bulk of what could be reported as "waste" would be organic material from processing of fish. The vast majority of which is sent for use in the production of Seagro fertiliser and thereby is not considered as waste.

- During the reporting period, the Company disposed of and dismantled three vessels which was taken off-site by a third-party contractor for scrap. The volume of metal recycled was the responsibility of the contractor as part of the engagement.
- The by-catch and crushed shells – The by-catch from the fishing operations does not get dumped back into the ocean. In terms of some of our licences, some of the by-catch (e.g. squid, octopus and kingklip) is sorted and sold while other products (e.g. silver fish) is given to our fishermen as "fry-up".
- Environmental contamination – No waste is dumped at sea from our fishing vessels as this is illegal. All of our vessels have significant controls to ensure that any/all spills are contained and disposed of when the vessels return to port. Oil spill kits are on board all of our vessels to soak up spills and brought back to port for the proper disposal thereof. All oil spills are reported in terms of a mass balance process. Only spills that may occur is if or when a collision occurs which could result in significant damage. Non-compliance could result in severe fines being imposed and fishing permits revoked.

## CARBON EMISSIONS

We are working towards reducing our carbon footprint from Scope 1 and 2.

Our 2021 carbon emissions were respectively, 5 517 and 8 097 tCO<sub>2</sub>e.

## CLIMATE CHANGE

Environmental pressures influence our business activities regarding the production and consumption of our products. We therefore observe our targets when environmental conditions change, the resources move to areas suitable for them.

## OUR ACTIONS THAT ENHANCED OUR OUTCOMES

We continue to pursue:

- The use of solar energy at our abalone farm which contributes to our sustainable farming practices; and
- We continue to research and develop activities to ensure the highest product quality is produced.

Premier is not a member of the Carbon Disclosure Project – Driving Sustainable Economies, Water Disclosure Project or a signatory to the UN Global Compact. However, policies, procedures, systems and controls from environmental management are influenced by their recommendations as well as by the Task Force on Climate-Related Financial Disclosures (TCDF).













# MANUFACTURED CAPITAL

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*Introduction*

*Outcomes of our manufactured capital*

*Our actions that enhanced our outcomes*

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# MANUFACTURED CAPITAL

## INTRODUCTION

Our manufactured capital consists of property, plant, equipment and the production of our products.

Our strategic objective of supplying high-quality, affordable products is underpinned by our catching, processing and manufacturing capabilities, vertical integration in some aspects of our supply chain and the ownership of our processing and manufacturing facilities. Our processing and manufacturing facilities present a range of production capabilities and capacities aligned to our current and future commercial objectives.

 	<p><b>South Coast Rock Lobster Tails - <i>Palinurus Gilchristi</i></b></p> <p><i>Palinurus Gilchristi</i> is a cold water species, rose in colour, occurs in the deep temperate of the South Atlantic ocean. Our fleet of lobster trawlers operates from headquarters in Cape Town. Our cold storage facility, processing plant, and engineering workshop provide comprehensive support to ensure optimum utilisation of our vessels and lobster products. This lobster is caught with the long line lobster trap method at depths of 50m to 150m in water temperatures of 8°C to 10°C. This lobster is easily recognisable as a deep, cold water species with its exceptionally high tail to total body mass yield of 45%, giving it one of the highest tail yields of any lobster in the world. Its delicate flavour and tail yield make this quality lobster excellent value for money. The South Coast lobster is a market leader in the USA's frozen, cold water tail market.</p> <p>The tails are processed onboard our HACCP approved vessels by competent and trained employees. It is then offloaded into our cold store that is PPECB approved to be graded and weighed accordingly on our land-based facility by trained employees. Each tail is wrapped individually and packed into 10lb/4.54kg cartons.</p> <p>Our facility is HACCP and FDA approved and on the EU and China list.</p>
 	<p><b>South Coast Whole Frozen Lobster - <i>Palinurus Gilchristi</i></b></p> <p>The catching and processing method is the same as the South Coast Rock Lobster tails.</p> <p>The lobster is processed onboard our HACCP approved vessels by competent and trained employees. It is then offloaded into our cold store that is PPECB approved to be graded and weighed accordingly on our land-based facility by trained employees.</p> <p>Our facility is HACCP and FDA approved, and on the EU and China list.</p>
 	<p><b>West Coast Rock Lobster Tails - <i>Jasus Lalandii</i></b></p> <p>This cold water species occurs from the mouth of the Orange River on the West Coast, down to Cape Agulhas at the southern tip of Africa. Catching is using ring nets, and short line traps at depths of between 2m to 160m in water temperatures of 9°C to 14°C. Fishing grounds extend from the inter-tidal zone to about 15km offshore.</p> <p>Vessels are generally small to enable the crew to operate in shallow waters and are never at sea for more than one or two days.</p> <p>The lobster from storage tanks are drowned, tailed, dewormed, chilled and drip-dried, wrapped in clear plastic sheets, blast frozen, graded and packed in coded single cartons of 4.54kg net mass, then transferred to our cold store that is PPECB approved.</p> <p>Competent and trained employees do the processing of the lobster.</p> <p>Our facility is HACCP and FDA approved, and on the China list.</p>



### West Coast Live Lobster - Jasus Lalandii

The catching method is the same as above.

Live lobster is offloaded from the boats, weighed in, stored in tanks and purged for a minimum of three days in running chilled seawater tanks which has a UV filter. It is then removed from the tanks for grading and packed into printed 10kg or 14kg plain polystyrene cartons with wood wool and frozen iced gel packs for export markets.

Competent and trained employees do the processing of the lobster.

Our facility is HACCP and FDA approved, and on the China list.



### West Coast Whole Cooked Lobster (Jasus Lalandii)

Lobster of a specific size is taken from live storage tanks after 3 days purging, drowned, cooked, washed, chilled and drip-dried, wrapped in transparent plastic sheets, blast frozen, graded and packed into trays of 2.5kg net mass.

### SEA DIAMOND



### Squid

Squid is caught in the Indian Ocean using the hand line jigging method. From November to February, squid is caught mainly at no more than 10 miles offshore during the day. From March to October, squid is caught mainly at night at 10 to 20 miles offshore. Water temperature is typically 15°C – 18°C. The squid is caught, rinsed, blast frozen and placed in plastic bags on board the vessel. Squid blocks are then transported to land-based cold storage on landing, where they are packed into boxes.

Catching - The squid caught is kept in clean plastic bins and then weighed every 4 hours. The squid is kept moist with clean seawater for those 4 hours.

Through our 50.3% stake in Talhado, they catch, process and market squid with both sea and land-based freezing facilities. With our stake in Talhado, the Group is the largest squid player in the industry.



Marine Growers a subsidiary of Premier Fishing SA (Pty) Ltd.



### Abalone - Haliotis midae

Our abalone farm was one of the first abalone farms in South Africa and has been operational for more than 18. The farm is situated in the most southern port of Southern Africa, in Gansbaai.

The close proximity of the site to the sea and favourable sea temperatures indirectly influence the feeding habits of the abalone

Atlantic Abalone is a sustainable business that does not rely on quotas. The farm currently produces 120 tons of cultured abalone per annum and is running at full capacity.

The operations process consists of a hatchery, grow-out facility, grading and a live pack processing plant. Live cultivated abalone is received from grow-out, then it is purged. Packed into foam boxes of approximately 8.1kg nett mass by competent and trained employees, then packed on pallets and dispatched by refrigerated trucks to the airport.

Our facility is HACCP and on the China list.



### Seagro

The by-product of fish in a concentrated form (fish oil) is a raw material purchased from one of our customers. The fish concentrate is processed into a liquid fertiliser and packaged for sale.



### Hake

Our hake quota is caught, processed and marketed through a joint venture agreement.



### Pilchards

Pilchards are canned and sold in the South African market, and anchovy is used to produce fishmeal sold globally for animal feed.



### Commercial Cold Storage

The cold storage facility is a warehouse for the Group's products and external customers. We offer storage space for dry goods in addition to frozen products.



## MANUFACTURED CAPITAL (CONTINUED)



### OUTCOMES OF OUR MANUFACTURED CAPITAL

		2021	2020
Total quantity of fish sold	Tonnes	23 188	20 596
Total quantity of cultivated abalone sold	Tonnes	28	27
Capital expenditure	Rands	25 286 000	65 410 000

In our supply chain, we had no problems with importing but exporting.



## OUR ACTIONS THAT ENHANCED OUR OUTCOMES

- The construction of our abalone farm incorporates modern high quality technology that contributes to sustainable aquaculture practices;
- Through the expansion of the abalone farm, employment was created for 100 people;
- We engaged with small quota holders;
- We maintained our relationships with our customers;
- We engaged with new customers;
- We increased our sales volumes despite the impact of COVID-19;
- We maintained the health and safety of our employees on our vessels and our manufacturing and processing facilities with zero fatalities; and
- We continued to invest in maintaining our existing vessels, plant and equipment to maximise our assets' usefulness and longevity.









# FINANCIAL CAPITAL

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*Introduction*

*Our performance*

*Outcomes of our financial capital*







# FINANCIAL CAPITAL (CONTINUED)

## INTRODUCTION

Our financial capital is generated from our various business operations, processing, production facilities, breeding and procurement. The Group's primary income source depends on resource availability and the Total Allowable Catch (TAC).

## OUR PERFORMANCE

The Group had a solid fishing season with improved catch rates in all sectors, thus capitalising on its solid customer relationships in the export market. Our revenue increased by 27%, operating profit by 13% and gross profit by 26%.

Our lobster, squid and pelagic division obtained excellent catch rates, despite the challenges faced during the year and the reduction in the TAC for West Coast Rock Lobster with a high demand for our product in the Far East. Our South Coast Rock Lobster is recognised as a leading brand in the USA. We managed to land 98% of our allocated lobster quota.

We managed to increase the number of fishing days in our pelagic sector, resulting in higher volumes landed and higher revenues obtained.

Our squid division obtained higher than expected catch rates than the prior year. Squid is an effort-based catch. The global market for South African squid remains strong.

The hake division delivered a strong performance, with market prices remaining relatively stable, resulting in the division maintaining its margins. Our hake quota is caught, processed and marketed through a joint venture.

Our abalone farm's sales volumes increased as it strategically grew its abalone to a larger size to meet market demands, hence maximising margins despite the adverse impact of COVID-19 on the Asian export market.

Revenue and profitability in our Seagro, cold storage, processing and marketing sectors increased. The Group contracted more quota holders in the West Coast Rock Lobster sector, which increased processing and marketing revenue. The demand for Seagro (fertiliser) remains high in the agriculture sector as more farmers move to organic products. We derived income from our cold storage by increasing our rental space capacity.

Despite the impact of the COVID-19 pandemic, the volatile exchange rate, the decrease in our TAC, we managed to increase our revenue and operating profit while the demand for our brands/products remained strong.

## OUTCOMES OF OUR FINANCIAL CAPITAL

		2021	2020
Revenue	Rands	575 115 000	453 894 000
Operating profit	Rands	13 856 000	12 252 000
Gross profit	Rands	191 758 000	152 463 000
Cash generated from our operations	Rands	52 992 000	34 612 000
Total assets	Rands	999 269 000	1 024 409 000
Net asset value per share	Cents	292.53	296.23
Dividends declared to our shareholders	Rands	13 000 000	26 000 000
Capital expenditure	Rands	25 286 000	65 410 000

## REVENUE PER SECTOR

		2021	2020
Lobster	Rands	170 723 000	165 703 000
Pelagics	Rands	93 530 000	70 675 000
Hake	Rands	33 049 000	21 583 000
Squid	Rands	206 245 000	141 379 000
Aquaculture	Rands	35 108 000	26 758 000
Seagro, cold storage, processing and marketing	Rands	36 460 000	27 769 000

## OUR ACTIONS THAT ENHANCED OUR OUTCOMES

- We converted resources into sustainable value for our stakeholders;
- We managed our operating costs and ensured that our margins were maintained;
- We negotiated with our suppliers to ensure the effective management of our working capital;
- We generated income from processing, marketing and selling third-party quota holder's fish;
- We generated income from our cold storage facilities; and
- Our experienced and skilled marketing team sold our products at competitive market-related prices.

## WHAT WE WANT TO ACHIEVE

Despite the unknown with the COVID-19 pandemic, we remain optimistic and will continue on our journey in achieving our strategic objectives and delivering sustainable value for our stakeholders.

Lobster	<ul style="list-style-type: none"> <li>• Remain focused on acquiring additional contracted quota to mitigate instances of reductions in TAC.</li> <li>• Implement improved vessel scheduling to maximise the number of sea days, reducing our total catching period, hence increasing profits.</li> </ul>
Pelagic	<ul style="list-style-type: none"> <li>• Improve scheduling of vessels and timing of catching during the peak catching season will improve revenue and profitability.</li> </ul>
Squid	<ul style="list-style-type: none"> <li>• Due to the cyclical nature of the catches during the season, work with industry and scientific groups and utilise industry information to accommodate seasonality and plan to catch at the most optimal time. This will reduce costs and increase revenue and profitability.</li> </ul>
Abalone	<ul style="list-style-type: none"> <li>• Continue with the expansion of the abalone farm as this will increase the current production output, increase sales volumes and profitability.</li> </ul>
Hake	<ul style="list-style-type: none"> <li>• Continue to work with our joint venture partners to acquire optimal rates for our product, thus increasing revenue.</li> </ul>
Seagro	<ul style="list-style-type: none"> <li>• Meet the demand of Seagro as it continues to increase.</li> <li>• Install a fish meal plant</li> </ul>
Processing and marketing	<ul style="list-style-type: none"> <li>• Increase the number of contracted lobster quota holders</li> <li>• Increase the number of contracted wild abalone holders</li> </ul> <p>The above will increase margins, revenue and profitability</p>
Cold storage	<ul style="list-style-type: none"> <li>• Offer additional storage space for hire for dry goods to increase revenue income</li> </ul>

## GLOSSARY OF ACRONYMS

B-BBEE	Broad-Based Black Economic Empowerment
DAFF	The Department of Agriculture, Forestry and Fisheries
EU	European Union
FAWU	Food and Allied Workers Union
FDA	Food and Drug Administration
FRAP	Fishing Rights Allocation Process
HACCP	Hazard Analysis and Critical Control Points
HDSA	Historically disadvantaged in South Africa
IIRC	International Integrated Reporting Council
KING IV™	King IV Report on Corporate Governance in South Africa
KPI	Key Performance Indicator
MCM	Marine Coastal Management
NCFAWU	National Certified Fishing and Allied Workers Union
NRCS	National Regulator for Compulsory Specifications
PPECB	Perishable Products Export Control Board
SABS	South African Bureau of Standards
SAMSA	South African Maritime Safety Authority
SASMIA	The South African Squid Management Industrial Association
TAC	Total Allowable Catch
TALFU	Trawler and Line Fishermen's Union
EFFORT	Effort based catch
VOORSKOT	Advance of capital



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