

14 December 2019

H.E. António Guterres
Secretary-General
United Nations
New York, NY 10017
USA

Dear Mr Secretary-General,

I am pleased to declare that the Oceana Group is in a position to once again reaffirm its commitment to and support of the United Nations Global Compact's ten principles.

Oceana has an organizational culture which supports local and internationally recognized human rights. We support the principles articulated in the Universal Declaration of Human Rights, the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises and the International Labour Organization's (ILO) core conventions on labour standards.

In 2019 we re-assessed our compliance in terms of the requirements of the United Nation's Global Compact Self-Assessment Framework. When compared to our 2018 assessment, we have improved on our compliance levels across the ten principal areas with significant strides being made in the Environment, Health and Safety and Labour assessments.

We are committed to improving on our compliance to UNGC principles, in line with international best practice. To this end are implementing a structured plan for continuous improvement. The 2019 Oceana Group Communication on Progress reflects on the improvements we made in the year and our commitment to a policy of continuous improvement.

Yours Sincerely



IMRAAN SOOMRA
CHIEF EXECUTIVE OFFICER



UNITED NATIONS GLOBAL COMPACT

COMMUNICATION ON PROGRESS

14 December 2019

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



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We are an African company, turning global fishing resources into shared value. With many of our people and partners at sea, we are aware of changes in tides, species and weather patterns.

In the world of business, we are aware of changing expectations and new competitive realities. Our strategy for growth gears our company to create and share the value that exists where ocean resources and peoples' needs intersect.

At our core, Oceana focuses on conversion: of natural resources into nourishment, growth into jobs and opportunity into partnerships. After 101 years of learning and innovating, our drive to positively impact lives has momentum. Our pride and passion are making it happen.

Imraan Soomra (CEO)

1 Introduction

1.1 Who we are?

Incorporated in 1918 and listed on the Johannesburg (JSE) and Namibian (NSX) stock exchanges, Oceana Group is a global fishing company, and an important participant in the South African, Namibian and US fishing industries. We are ranked as one of the top 15 seafood companies in the world by market capitalisation, revenue growth, share price performance and EBITDA.

We employ 4 845 people globally, of whom 3 165 are directly employed and 1 888 are indirectly employed. Oceana is a black-owned company and a level 1 B-BBEE contributor.

1.2 What do we do?

Our core fishing business is the catching, procuring, processing, marketing and distribution of canned fish, fishmeal, fish oil, horse mackerel, hake, lobster and squid.

The business includes midwater trawling (horse mackerel), deep-sea trawling (hake), and inshore fishing for pelagic fish (anchovy, the Gulf menhaden species, redeye herring and pilchard). In addition, we provide refrigerated warehouse facilities and logistical support services. We market and sell approximately 276,000 tons of fish and fish products for consumers across the consumer spectrum, in 46 countries in Africa, North America, Asia, Europe and Australia.

1.3 Our Purpose

Our core purpose is to be a leading global fish protein company, creating sustainable value and positively impacting the lives of all our stakeholders.

1.4 Our Mission Statement

To be a leading global fish protein company:

- Responsibly harvesting and procuring a diverse range of global marine resources
- Promoting food security and job security by efficiently producing and marketing relevant products for global markets
- Actively harnessing talent and developing the potential of all employees
- Supporting diversity and empowerment
- Investing in communities where we operate thereby consistently converting resources into shared value and providing superior and sustainable returns to all stakeholders.

2 Alignment of Oceana Group Sustainability strategy with the UNGC Principles and UN Sustainable Development Goals

The United Nations Sustainable Development Goals (UN SDGs), together with the Global Compact Principles, provide the best articulation of what that societal value should look like, setting a clear long-term agenda to end poverty, protect the planet and ensure prosperity for all by 2030. Oceana has a culture that is built around positively impacting lives and is committed to playing its role, as a private sector company, in the attainment of these SDGs and UNGC Principles, working alongside government, communities and other businesses. Through our core business of responsibly harvesting and procuring a diverse range of global marine resources, we are making a significant contribution to national and global developmental objectives.

In 2018, Oceana reviewed its strategy for long-term growth. Through this process the company identified, and the board approved, key strategic imperatives for the next five years. Our updated strategy focuses our previous five objectives (generate sustained financial returns, drive transformation and localisation, optimise our operations, lead in the stewardship of marine resources, and build trusted relationships) into three strategic imperatives, supported by three enablers.

Our sustainability focus areas support the updated strategy by optimising the way we deliver value to society. Through our core business of responsibly harvesting and procuring a diverse range of global marine resources, we are making a significant contribution to the United Nations Sustainable Development Goals (UN SDGs), United Nations Global Compact and local development agendas, such as South Africa's National Development Plan.

The UN SDGs set a clear long-term agenda to end poverty, protect the planet and ensure prosperity for all by 2030. We have identified and prioritised nine (five primary and four secondary goals) SDGs

where we believe we can have the most meaningful impact. As a private sector company, we are committed to working alongside government, communities and other businesses to attain these goals.

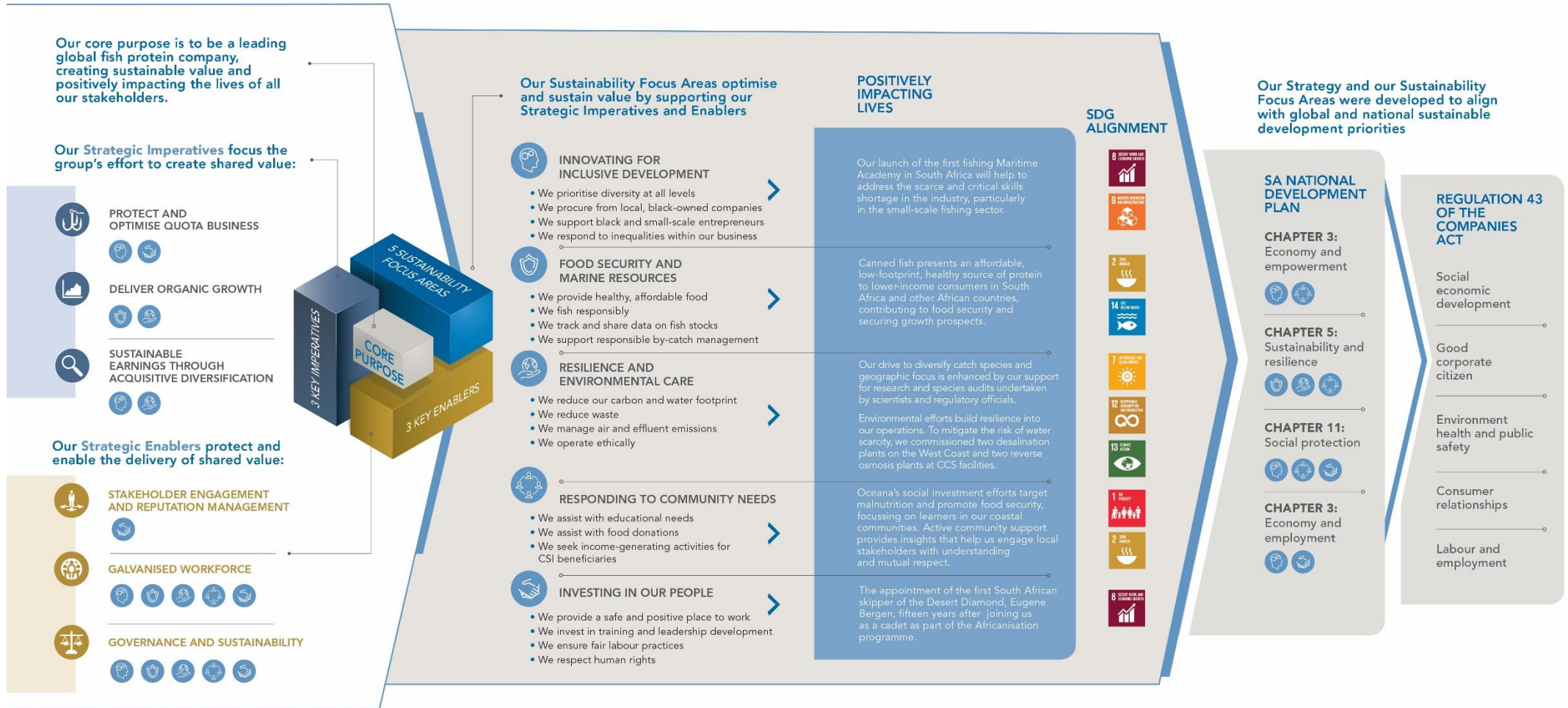


Figure 1: Alignment of strategic imperatives with sustainability strategy

3 UNGC self-assessment

Oceana Group’s compliance with the UNGC principles has been assessed using the Global Compact Self-Assessment tool. The table below reflects our compliance with the five main sustainability categories namely; management, human rights, environment, anti-corruption and labour.

Based on the findings derived from the Global Self- Assessment tool, we are implementing a plan of continual improvement.

3.1 Assessment methodology

The UNGC self-assessment was undertaken by a UNGC working group consisting of representatives from human resources, environmental sustainability, supply chain and compliance. The team assessed our compliance with the requirements of the assessment tool, in doing so fulfilled compliance criteria for identified actions for closure, a responsible person and a timeframe. The compliance assessment is applicable to our operations in South Africa, Namibia and the United States of America.

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

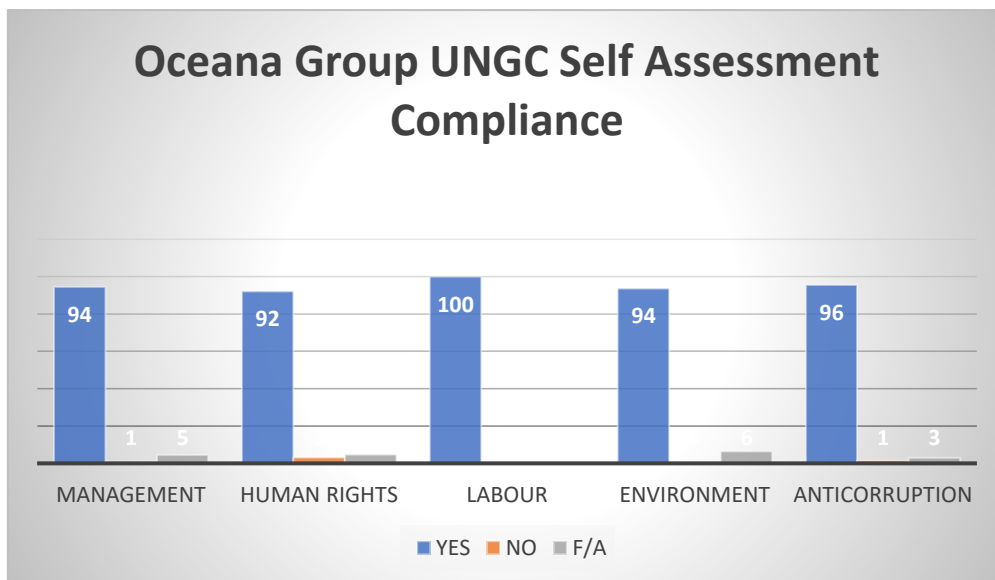


Figure 2: Oceana Group 2019 UNGC Self-Assessment Results

4 Implementing the 10 principles

4.1 Human Rights

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

4.1.1 Policies in Support of our Commitment

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

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

4.1.2 Measurement of Outcomes

The Oceana Group achieved a 2019 UNGC compliance self-assessment compliance score of 92%.

4.1.2.1 Health and Safety

Ensuring employee health and safety is a top priority and a key pillar of our drive to embed a culture of compliance.

To mitigate the inherent health and safety risks associated with our land- and sea-based activities, we implement safety monitoring, training and enforcement programmes, provide relevant personal protective equipment and access to medical facilities, and undertake periodic safety audits on all sites and vessels. Health and safety training programmes include firefighting (all levels), first aid (all levels), safety handling of winches and lifting, competence in survival craft, GMP and HACCP, OHASA, pre-sea training, safety officer training, personal safety training and personal survival techniques.

The managing directors of all operating divisions are responsible for ensuring full compliance with relevant occupational health and safety legislation, and that the required structures are in place. Recognition agreements with the unions in the Lucky Star and BCP divisions cover health and safety issues. The Oceana Group Board has oversight on the implementation and compliance with health and safety legislation and company policy and procedures. All reportable health and safety incidents are reported to the Board on a quarterly basis.

Compliance with the health and safety component of the external audits for all land-based facilities was 97% (2018: 97%) and 82% for all vessels (2018: 79%). This year we introduced in-house audits on our land-based facilities, as an additional level of assurance.

This year we developed and started implementing a groupwide annual safety awareness programme. This was launched at our land-based facilities with a digital awareness campaign and will be extended to vessels in 2020.

We are improving the quality of our incident reporting and investigations and are placing an emphasis on encouraging the reporting of near misses and lessons learnt in factory operations. Going forward we will more accurately measure the type and frequency of injuries so that we have reliable data to report. The number and severity of safety incidents recorded has remained low: the group's disabling injury frequency rate (DIFR) of 1 was once again well below the group margin ceiling of 2.0. Once again there were no occupational fatalities this year.

4.1.2.2 Respecting Human Rights

Respect for human rights is an integral part of Oceana's code of ethics and values. Our human rights policy, which is applied across all our operations in Angola, Namibia, South Africa and the United States, ensures that the human rights principles and requirements associated with the United Nations Global Compact (UNGC) are implemented. The policy commits us to strive for full compliance with applicable legislation in the regions in which we operate and aims to promote equality of opportunity and combat discrimination.

Oceana's organisational culture supports and respects local and internationally recognised human rights, including the principles of the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO core conventions on labour standards.

We also enforce our human rights policy and a supplier code of conduct in the supply chain. Supplier contracts ensure against under-age or forced labour. No incidents of under-age or forced labour were reported in FY2019.

Our CCS Logistics division continues to use labour brokers. We ensure that every agency used by that division has signed our supplier code of conduct, requiring compliance with all labour and human rights legislation.

Our commitment to respecting human rights is supported by the group's formal code of business conduct and ethics which commits all our employees to observe the highest ethical standards in conducting the group's business. We have implemented an anonymous and secure whistle-blowing facility for many years, to facilitate the confidential reporting of alleged incidents. This is available to

all employees, contractors, stakeholders and community members to anonymously report suspected fraud, corruption and any form of irregularity and unethical behaviour. Its purpose and confidentiality are emphasised at employee induction and training sessions. The facility is also available in Namibia and the US.

Our service agreements with the security supplier in South Africa has been aligned with the requirements of the UNGC Principles.

There were no incidents of human rights contraventions reported or identified during tis reporting period. In support of our commitment to

4.1.3 Continual Improvement Commitment

Oceana will continue to focus on imbedding the UNGC human rights requirements within our supply chain. The following initiatives are proposed for implementation in the 2019 reporting period.

- Develop a programme and action plan to audit key supplier compliance with Oceana's Supplier Code of Conduct and Human Rights Policy.
- Develop a programme and action plan to audit the key supplier's compliance with the UNGC Human Rights Principles.
- Implementation of an integrated and groupwide Health and Safety awareness plan.

4.2 Labour

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

4.2.1 Policies in Support of our Commitment

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

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

4.2.2 Measurement of Outcomes

Our business is about our people. We invest in providing a stimulating, culturally diverse and healthy working environment with attractive opportunities for personal development. Oceana continues to be a leader in the sector in terms of its working conditions and the benefits we provide, as well as the leadership role that we play in the development of our host communities.

4.2.2.1 Building leadership capacity

With Oceana becoming an increasingly global player in the sector alongside our five-year plan to grow and diversify the business, we needed to strengthen the existing leadership skills across the Group.

This year we conducted capability assessments for senior leadership (all Exco and divisional executives) and identified successors and development gaps. We formalised a talent pool through psychometric assessments to benchmark competencies and custom designed a leadership acceleration programme in partnership with the Gordon Institute of Business Science, which

commenced in September 2019. We also provided training to all managers on performance management, managing discipline and incapacity.

Over the year, we trained 95 managers through our inhouse programmes, with managers participating in external management and leadership development programmes. This is supplemented by our ongoing coaching initiative across middle, senior and executive management in South Africa and Namibia. Topics include leadership development, building personal resilience, new-in-role challenges, cultural integration, strategy development and action planning; and behavioural change.

4.2.2.2 Skills development and training

We invested R28.3 million this year on employee skills development in South Africa and Namibia (2018: R21.9 million), building critical skills in such areas as marine science, vessel crewing, artisans, supply chain management, IT, finance, and food safety, quality and processing.

During this reporting period, Lucky Star operations launched a year-long pilot environmental learnership programme aimed at employed staff and their family members in the supporting communities in Hout Bay and Laaiplek. This year 37 of the 39 learners initially enrolled graduated with their Environmental Practice Learnership (NQF2). Twenty of the participants were unemployed. The graduates employed within our organisation will become environmental champions for their respective sites.

4.2.2.3 Promotion of employee wellbeing

In creating our desired organisational culture, a strategic objective is to foster a healthy organisation where employees feel encouraged and supported to lead a healthy, balanced lifestyle and are motivated and productive. While we have traditionally focused on occupational health and safety issues, we recognise the importance of promoting good mental and physical health. Recognising that work and personal pressures can lead to chronic stress, poor eating habits and lack of movement, this year we launched an integrated wellness enhancement programme for senior management, which takes a holistic approach to promoting good mental and physical health.

The programme includes a wellness review, a physical assessment, nutritional analysis, and offers a combination of an integrative medical approach together with preventative methods and lifestyle management, customised through holistic interventions. These include teaching executive's simple mindfulness principles to apply in their approach to eating and behaviour (through contemplative practices). The interventions support clarity of mind, productivity and tools to cope with stress.

To support employee wellbeing across our South African workforce, the AskNelson employee assistance programme (EAP) continues to be available to employees at all levels. This service provides

valuable assistance to help individuals cope with a range of personal challenges that can impact their work performance and their family life. AskNelson ensures that employees have confidential access to accredited counsellors and psychologists. In addition to counselling and health information, services include legal and financial advice, and support for managers, such as developing effective inter-personal skills.

The various EAP interventions provided include financial training, wellness screening as well as Tuberculosis and HIV/Aids screening and support. The EAP service is extended to families of the staff, who can call an outsourced helpline to speak to an EAP consultant for trauma counselling, legal and/or financial advice.

With reference to overtime worked, we continually monitor the overtime hours worked and are aligned to the South African overtime legislative requirements. In instances, due to the seasonality of our operations, we've obtained exemptions from complying with the specific legislation from the Department of Labour. The application of these exemptions is continually monitored.

4.2.2.4 Positive employee relations

We take pride in the positive engagements and mutual respect and appreciation we nurture with our employees. In addition to internal newsletters, management meetings and personal interactions, we have defined structures such as consultative employee forums that meet regularly. We believe that the quality of the relationship between management, employees and labour unions across our operations is reflected both by our low employee turnover rate of 9.4%. This year we successfully completed the two-year round of wage negotiations, without conflict. 58% of our employees are unionised with various representative bodies (South Africa: FAWU, TALFU, NCFAWU, UDF & CWU; Namibia: NAFAU and NATAW).

In our Daybrook operation, we have continued to work on integrating and aligning their human resource policies and practices, and reward and benefit structures, with those of the group, while also ensuring full compliance with local legislation.

The Group Headcount has continued to show a decrease in the 2019 financial year. A loss of 269 in overall headcount was recorded. The permanent staff termination reasons were driven by 41% resignation, 28% dismissals, 14% retirements and 6% deaths.

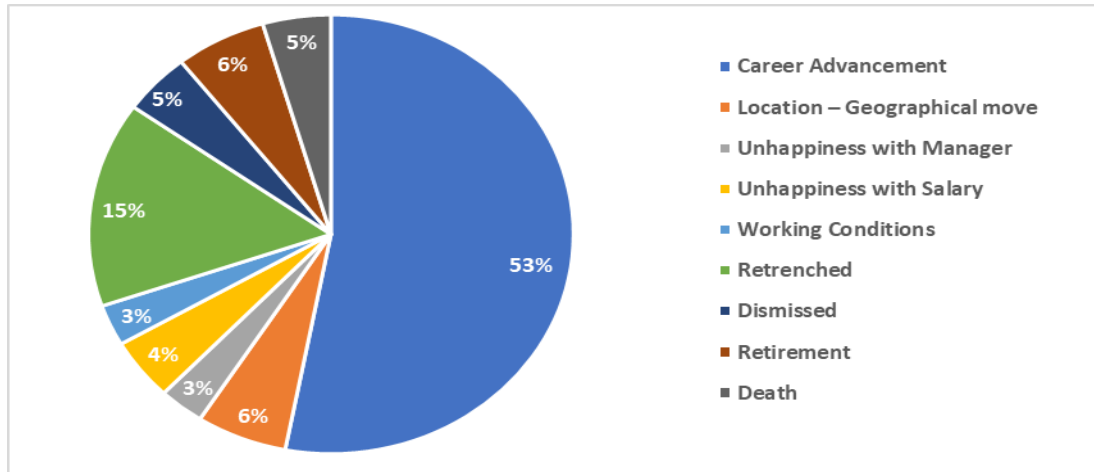


Figure 4: 2019 Labour turnover percentages per category

4.2.2.5 Union membership

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

Trade unions in South Africa and Namibia that represent our employees:

South Africa:

- Food and Allied Workers Union (FAWU)
- Trawler and Line Fishermen’s Union (TALFU)
- National Certificated Fishing and Allied Workers Union (NCFAWU)
- United Democratic Food and Combined Workers Union (UDF&CWU)

Namibia:

- Namibia Food and Allied Workers Union (NAFAU)
- Namibia Transport and Allied Workers Union (NATAWU)

Industry bodies that negotiate wages and conditions on our behalf:

- Fishing Industry Bargaining Council (deep-sea, mid-water and inshore trawling chambers)
- Employers Organisation for the Cephalopod and Associated Fisheries

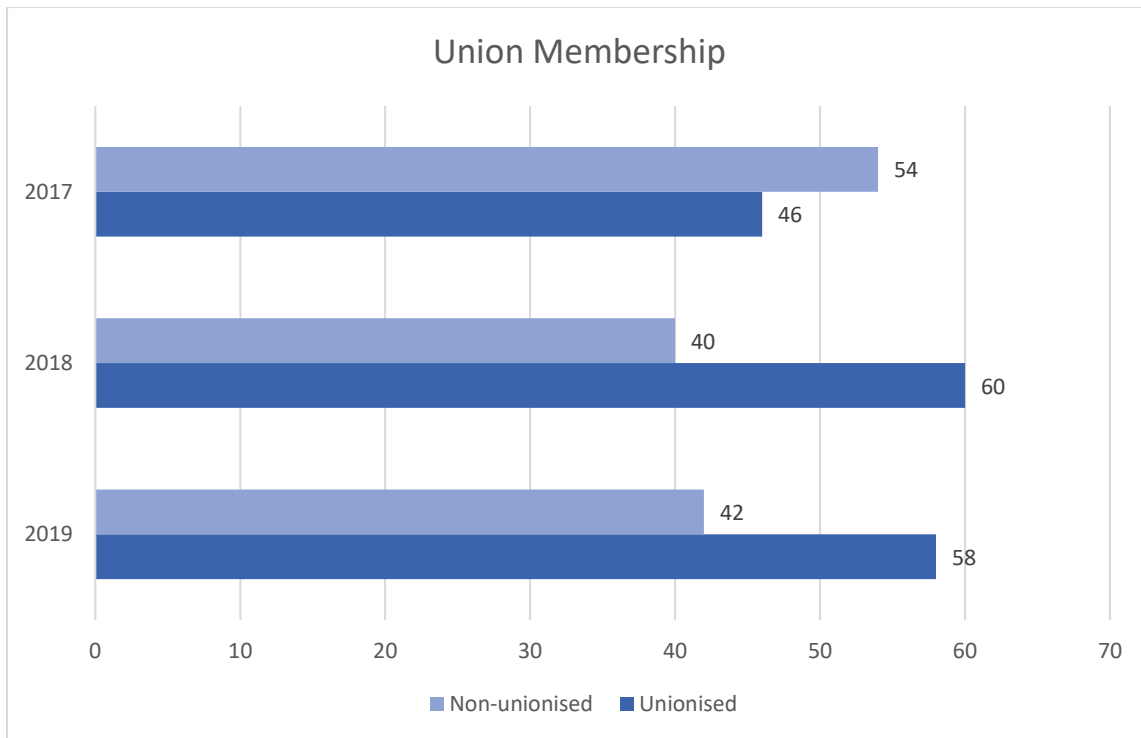


Figure 5: Union versus Non-union members

4.2.3 Continual Improvement Commitment

We believe that our leadership development framework, consisting of in-house development modules, partnerships with business schools and a coaching offering will enable our next generation of leaders to develop the change management capability required to undertake consolidation and expansion initiatives within the group.

4.3 Environment

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

4.3.1 Policies in Support of our Commitment

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

- Code of Conduct
- Environmental Policy
- Compliance Policy

4.3.2 Measurement of Outcomes

The Oceana Group achieved a 2019 UNGC compliance self-assessment compliance score of 94%.

4.3.2.1 Environmental Risk Management

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

1. Marine resource availability
2. Pollution potential because of our activities
3. Climate variation
4. Irresponsible environmental management practices
5. Unsustainable supplier practices
6. Potable water availability
7. Sea water availability
8. Reputational management in terms of unsustainable practices
9. Carbon tax impacts
10. Impact of ocean mineral, gas and oil extraction

4.3.2.2 Conserving water and reducing water pollution

The availability of fresh water remains a top risk and we have maintained our commitment to water conservation and consciousness. In response persistent drought conditions and trends anticipated from a changing climate, last year we invested R35 million in establishing desalination plants at St

Helena Bay and Laaiplek, enabling us to produce up to 1.4 million litres of potable water per day and contributing to the water security of neighbouring communities.

The plants significantly reduce the reliance of our Lucky Star factories on municipal water. Additional water sourcing initiatives implemented include a borehole/well system together with a reverse osmosis plant at our CCS Epping and Paarden Eiland facilities to cater for our facilities in the City of Cape Town.

This year, the Group’s total municipal potable water consumption reduced by 37% when compared to FY2018; usage per unit of activity decreased to 0.29kℓ per ton of product produced or stored and handled, compared to 0.52kℓ in FY2018.

In order to achieve the water consumption reduction, we implemented a number of initiatives across the group. The table below provides a summary of these initiatives.

Division	Water reduction and augmentation activities	Project update
Oceana House	<ul style="list-style-type: none"> • Water use reduction awareness campaign • Installation of water control mechanisms in bathrooms • Implementation of greywater sanitation system • Installation of grey water storage tank 	<ul style="list-style-type: none"> • Ongoing, awareness campaign. • Completed • Completed • Completed
Lucky Star Ops	<ul style="list-style-type: none"> • Increased use of seawater for cleaning where possible • Installation of desalination plants at Amawandle Pelagic and St Helena Bay • Water use reduction awareness campaign 	<ul style="list-style-type: none"> • Completed • Completed • Ongoing, awareness campaign.
BCP	<ul style="list-style-type: none"> • Water use reduction awareness campaign • Increase the water desalination capacity on vessels - RO Plants • Water metering taking place at Amawandle Hake and all leak investigation and closure taking place • Installation of rainwater harvesting and greywater sanitation system 	<ul style="list-style-type: none"> • Ongoing, awareness campaign. • Completed • Completed • Completed

Division	Water reduction and augmentation activities	Project update
CCS	<ul style="list-style-type: none"> Water use reduction awareness campaign Boreholes drilled at Epping and Paarden Eiland. Installation of Reverse Osmosis plants at those two sites 	<ul style="list-style-type: none"> Ongoing, awareness campaign. Completed Completed, the capacity allows all the CCS facilities to be completely independent of municipal water supply in the event of Day Zero. Epping and Paarden Eiland currently supplement their municipal supply with RO treated groundwater.
Lobster and Squid	<ul style="list-style-type: none"> Water use reduction awareness campaign Installation of water storage tanks for production and sanitation purposes. Increased use of seawater for cleaning where possible 	<ul style="list-style-type: none"> Ongoing, awareness campaign. Completed Completed

4.3.2.3 Water risk exposure

Oceana undertook an assessment of facilities within water stressed areas. The projected change in water stress shows how development and/or climate change are expected to affect water stress, the ratio of water uses to supply.

The table below lists our facilities, associated with the respective water scarcity and quality risks.

Future water Stress - Location Risk Ranking	Business Unit	Physical Risk Quality	Physical Risk Quantity	Future Water Stress (2020)	Baseline Water Stress
1	Lucky Star: St Helena Bay	4.1	4.0	3.2	5.0
2	Lucky Star: St. Helena Bay	4.1	4.0	3.2	5.0
3	CCS: Walvis Bay	3.8	4.3	3.2	5.0
4	Hout Bay (Lobster)	3.4	3.7	3.2	5.0
5	CCS: Epping	3.4	3.7	3.2	5.0
6	Hout Bay (LS)	3.4	3.7	3.2	5.0
7	CCS: Paarden Eiland	3.4	3.7	3.2	5.0
8	CCS: Duncan Dock	3.4	3.7	3.2	5.0
9	CCS: Diep River	3.4	3.7	3.2	5.0
10	Amawandle Pelagic	2.4	3.3	3.2	4.3

Future water Stress - Location Risk Ranking	Business Unit	Physical Risk Quality	Physical Risk Quantity	Future Water Stress (2020)	Baseline Water Stress
11	Bayhead	3.9	3.7	1.9	3.7
12	CCS: Midrand	3.2	3.1	3.2	3.9
13	CCS: City Deep	2.6	1.7	0.6	1.5

Definitions used in table

Quality Risk - Physical risks related to quantity identify areas of concern regarding water quantity that may impact short- or long-term water availability.

Quantity Risk - Physical risks related to quality identify areas of concern regarding water quality that may impact short- or long-term water availability.

Regulation Risk - Regulatory and reputational risks identify areas of concern regarding uncertainty in regulatory change, as well as conflicts with the public regarding water issues.

Baseline Water Risk - Baseline water stress measures the ratio of total annual water withdrawals to total available annual renewable supply, accounting for upstream consumptive use.

Future water Stress - Projected change in water stress shows how development and/or climate change are expected to affect water stress, the ratio of water uses to supply.

This analysis also shows that 12 out of 13 of the properties are in a baseline water stressed regions. Should the drought trend persist in South Africa it is highly probable that these properties would be affected either with water outages or restrictions. Based on the exiting water consumption reduction measures implemented we ae well placed to mitigate water restriction measures.

4.3.2.4 Climate change adaption

Our climate change risks and opportunities are detailed in Oceana’s annual submission to the CDP Climate Change Programme. To be resilient, we need to increase our ability to adapt to the impacts of environmental changes and greater volatility in climatic conditions. We include climate change risk and vulnerability management measures into our divisional environmental risk registers.

Following are highlights of our adaptation efforts:

- **Resource availability:** By importing additional product for canning locally, we increased our local production of canned pilchards by 7% compared to FY2018. As part of ongoing collaborations to build resilience for adaptation to climate change, we participated in the DEFF scientific working groups, which includes supporting the fisheries specific climate smart

strategic framework developed in 2018. Annually, we undertake independent resource status research.

- **Water supply:** To mitigate the risk of water scarcity, we implement two desalination plants on the West Coast and two reverse osmosis plants at two of our CCS facilities. These were the principal contributors to a 38% reduction in our usage of potable water compared to the FY2018 reporting period.
- **Energy requirements:** We are increasingly using low sulphur content fuels in our vessels to reduce our sulphur emissions.
- **Business continuity:** To mitigate the risks of business interruption, we have developed business continuity plans for land-based facilities that consider scenario planning.

4.3.2.5 Fishing responsibly

Through a joint partnership, WWF-SA and Department of Environment, Forestry and Fishery (DEFF) have committed to developing a fisheries conservation project with key stakeholders to rebuild the stock and address the causes of its decline; this includes programmes to address poaching and promote training and multi-stakeholder engagement. As a key commercial quota holder and member of the sector association, we recognise the influential role we can play in this recovery plan and are committed to supporting the WWF and the fishery conservation process.

As a fishing company Oceana has always appreciated that its profitability as a business depends on the viability of its renewable fishing resources, and the health of the broader marine environment. Our commitment to harvesting marine resources responsibly is based on the following practices:

- Promoting responsible fishing practices across the supply chain by engaging with international suppliers and promoting awareness amongst all our seafaring staff.
- Supporting an ecosystem approach to fisheries management by engaging with DEFF and industry bodies, funding research and participating in industry workshops.
- Ensuring full legal compliance in our highly regulated operating environment.

Oceana has a zero-tolerance approach to illegal, unreported and unregulated fishing, recognising that this undermines collective efforts to conserve and manage fish stocks, negatively impacts food security, and ultimately reduces social and economic opportunities.

Through our important partnership with the Responsible Fisheries Alliance (RFA) we have been able to facilitate a collective responsible fisheries employee training programme, since 2011. The course ensures that participants are equipped with the skills needed to implement an ecosystem approach to fisheries and understand the significance of the marine ecosystems in sustainability and long-term

societal value creation. To date, more than 400 (about 60%) of our sea-going personnel have undergone RFA training, one of the highest participation rates in the alliance.

4.3.2.6 Sustainable Seafood

We continue to engage with fisheries scientists, regulators and others in the sector to improve our understanding and ability to predict potential distribution shifts, and to ensure that fisheries are managed according to best science.

4.3.2.7 South Africa

The majority (91%) of our harvested commercial fishing rights by volume are on the green list of the South African Sustainable Seafood Initiative (SASSI), with 11% of our total commercial fishing rights by volume MSC certified (see table).








South African Commercial Fishing Rights	%	SASSI category
Anchovy (SA)	80	
Pilchard (SA)	3	
Deep-sea hake (SA)	11	
Horse mackerel (SA)	6	
West Coast rock lobster	0.1	
Squid	0.4	
South Coast rock lobster	0.01	
Total	100	

Figure 3: SASSI rating

These species have been assessed as the most sustainable choices, coming from the healthiest and most well-managed fish populations.

This year, horse mackerel and pilchard both retained orange listing. We continue to engage with industry bodies, government officials and other stakeholders in efforts to improve the sustainability of these resources, including through participating in the development of the WWF-SA/DEFF Horse Mackerel Conservation Improvement Project.

The West Coast rock lobster (WCRL) has been red listed by WWF for several years due to problems around poaching. Our active engagement with stakeholders and contribution towards the protection of the species illustrates the value of us remaining. Significant DEFF intervention has seen the level of poaching decrease slightly this year. We will continue to work with DEFF, WWF and the industry to identify the most effective way of policing and managing the resource.

Our hake operation retained its Marine Stewardship Council (MSC) chain of custody certification, considered the world’s most rigorous eco-labelling initiative for fishing. In October 2019 Gulf menhaden achieved MSC certification, making this fishery one of the few reduction fisheries in the world to be MSC certified.

4.3.2.8 United States

The fish resource utilised at our Daybrook fishmeal facility is managed according to a state and industry endorsed Fisheries Management Plan (FMP). The goal of the Gulf menhaden FMP is to provide a management strategy that allows an annual maximum harvest, while ensuring the protection of the stock from overfishing. According to the Gulf Menhaden Stock Assessment, completed for the Gulf States Marine Fisheries Commission in 2018, the existing fisheries management plan is meeting its objectives as the Gulf of Mexico menhaden stock is “not experiencing overfishing and is not overfished”.

In addition, Gulf of Mexico Menhaden processed by Daybrook fisheries were granted certification against the Marine Steward Council (MSC) standard for sustainable fishing on 17 October 2019, indicating healthy biomass and good long-term outlook for the species.

4.3.2.9 Namibia

The Namibian horse mackerel stock is managed primarily through a total allowable catch (TAC). Most of this is allocated to the mid-water trawl fishery, with a small proportion made available for value-added products (mainly through canning), in factories owned by purse seine operators. Catch rates have also been erratic in Namibia despite the health of the biomass; TAC remained the same as previous year. Concerns of illegal fishing in the area may be having an impact on the resource. In December 2017, the government implemented a three-year moratorium on pilchard’s catches.

4.3.2.10 Environmental Performance Targets

In committing to sustainable resource use and a reduced impact on the environment, we have set specific targets for energy and water consumption and the management of waste across the group. The table below provides an overview of our medium-term targets, their alignment with the South African National Development Plan (NDP) and the United Nations Sustainable Development Goals (SDGs). It also reflects our performance against these targets.

NDP / SDG supported	Key performance area	Target	Target date	2017 performance against targets
SDGs: 13, 12	GHG EMISSIONS	2.5% product GHG emission intensity reduction year-on-year from 2018 to 2025	Sept 2025	Land-based facilities: 13% GHG emission intensity reduction when compared to

NDP / SDG supported	Key performance area	Target	Target date	2017 performance against targets
	(SCOPE 1 AND 2)			FY2018 Vessels: 33% increase in GHG emission intensity when compared to FY2018
		Develop and implement science based GHG reduction targets	2020	In FY2019 we undertook an investigation to determine science-based targets for the Oceana Group. The results were that we would need to implement intensity and absolute reduction targets of 2.5% per year. This is in line with our exiting target for GHG emission reduction.
SDGs: 6,14,12	Water usage and disposal	5% -10% product water usage intensity reduction from base year	Sept 2020	38% absolute potable water consumption reduction
SDGs: 15,12	Waste disposal	Zero waste that is fit for human consumption directed to landfill	2020	Zero waste suitable for human consumption was directed to landfill.
	Promoting food security	Contribute to ensuring the transition of red listed commercial fish species to an orange listing and to transition orange listed commercial fish species to green listed.	2025	Ongoing. Participating in the Horse Mackerel Conservation Improvement Project and working with DEFF, WWF and the industry to identify the most effective way of policing and managing the resource.
		All our targeted wild-caught fish resources will be sourced from fisheries that are undertaking an industry and DAFF approved credible, time-bound improvement project where they are not WWF-SASSI green-listed or caught from MSC (or equivalent) certified fisheries.	2025	91% of our targeted commercial fishing rights on the SASSI green list (2018: 80%). Maintained MSC certification for our Hake operations and achieved MSC certification for Gulf menhaden. IFFO RS-accreditation retained for 100% (i.e. all five) of fishmeal and fish oil operations.

4.3.3 Continual Improvement Commitment

In 2020 we intend to continue focussing on the application of our existing policies and procedures across the group, particularly in our American operations.

In addition, areas for improvement and action include improved water and waste management and reporting.

4.4 Anti-corruption

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

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

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

4.4.2 Measurement of Outcomes

The 2019 self-assessment resulted in a compliance score of 96% with the anti-corruption UNGC requirements. All eligible new employees continue to undergo comprehensive training on Competition Law. Additionally, all eligible employees received and completed training on the Anti-bribery and Corruption Policy and related legislation, as well as training on Oceana's Code of Business Conduct and Ethics and the Compliance Policy.

4.4.2.1 Zero tolerance to fraud and corruption

The group has a formal code of business conduct and ethics. An anonymous and secure whistleblowing facility has been in place for many years. Its purpose and anonymity are emphasised at employee induction and training sessions. The facility is also available in South Africa Namibia and the United States.

For the period of October 2018 to September 2019, the anonymous and secure whistleblowing facility received a total of 43 calls, of which 4 calls required further investigations. One whistle-blower call, which related to irregular procurement practices within one of our divisions, required independent

forensic investigation. The investigation culminated in the dismissal of the staff member named in the call. The remaining calls were internally investigated by an independent panel. One instance resulted in the issuing of a verbal warning, whilst the remaining two were found to have no substance to the allegation.

4.4.2.2 Ethics and compliance framework

Oceana is committed to building trusted relationships with all key stakeholders. The board and management are responsible for ensuring the sustainability of the business by having a clear strategy in place and demonstrating a visible commitment to ethical behaviour and good corporate governance within its operations. Policies, procedures and internal controls are geared towards entrenching ethical practices throughout the group.

4.4.3 Continual Improvement Commitment

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

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

December 2019