

Corporate responsibility and sustainability report

The sustainability of our business

Invicta understands the crucial importance of the medium- and long-term sustainability of our businesses, not only for the benefit of the Company, but also in the interests of all its stakeholders.

Central to the growth and sustainability of Invicta are the decisions on the best use of the Company's funds, balanced between acquisitions, capital expenditure and cash investments. Invicta's board has extensive knowledge and experience in business, strategy and the industries we operate in. Our risk management processes, combined with the applied insight of senior management further informs these decisions and the underlying strategy. For further information on our strategy please refer to page 13.

Understanding the needs of our stakeholders is important to provide context for our strategic decisions.

Stakeholder	Engagement	Interests identified	Our focus
Employees	Regular meetings, performance reviews and engagement with trade unions	Job certainty, training and development, good working environment, fair remuneration	Attracting, developing and retaining quality employees. Health and safety compliance.
Customers and suppliers	Regular visits by company representatives	Requests for products and services, ease of doing business. Maintaining visibility and market share for suppliers	Expanding our product and service offering, quality management, improving the efficiency of order processing through technology, strengthening and expanding distribution channels and marketing.
Shareholders, funders and creditors	Investor presentations, AGMs, meetings with banks and major shareholders	Superior financial performance, good corporate governance, strong management, transparency	Balanced use of various forms of debt to facilitate growth, improving reporting, ensuring good governance practices.
Regulators, government and society as a whole	Various corporate social investment initiatives in the industries and communities in which Invicta operates. Engagement with regulators and government entities in day-to-day business	Compliance with laws and regulations, social and environmental responsibility, transparency, job creation	Compliance with all applicable laws and regulations, contributing to social value by reinvesting into communities, building businesses that are sustainable both economically and environmentally.

Invicta's corporate responsibility

Introduction

As a South African company, Invicta fully supports the human rights that are entrenched in our country's constitution and recognises our role in the promotion and protection of our stakeholders' rights and interests. Most of these rights fall under the universal themes that are monitored by Invicta's Social and Ethics Committee.

Invicta understands the interconnectedness that lies in the improvement in the lives of others. Contributing to the betterment of society will lead to innovation and growth in the economy, meaning more construction, engineering and farming, which in turn is good for the growth of our businesses. Simply put, the better off our stakeholders are, the better off Invicta will be.

Invicta further recognises that mere compliance with laws and regulations is often not sufficient to be considered a responsible citizen, or for us to achieve our strategic objectives. As such, Invicta constantly seeks appropriate ways to go above and beyond.

Our employees

Invicta's employees are the driving force behind its operations. Each of Invicta's divisions maintains their own human resources departments that ensure that the Group complies with the Employment Equity Act and other labour legislation.

We believe that diversity adds strength to our business and our human resources departments are tasked with implementing policies to advance equality and transformation in their various businesses. A policy is also in place at board level to promote diversity.

The wellbeing of our staff is paramount and Health and Safety is a constant focus within our businesses. In line with this priority, the Capital Equipment Group has undertaken a full review of the health and safety policies, procedures, record-keeping and compliance throughout all of its businesses. Clinics are provided at certain of our facilities to provide not only occupational health services, but to assist our staff's general health concerns.

Invicta's divisions further support their staff by providing medical aid and retirement benefits and disability insurance.

Invicta does not allow any forced or child labour and will not do business with suppliers who allow such practices.

Directors, management and other employees are all held to the Group's Code of Ethics. The Group does not tolerate illegal behaviour and strictly enforces its policies. Invicta has a whistle-blowing hotline available to report any discrimination, non-compliance, corruption or suspicious behaviour.

Invicta's continuing aim is to sustain a culture of ethics and compliance throughout the organisation, thereby reducing risk and promoting trust within the organisation and among its stakeholders.

Corporate responsibility and sustainability report (continued)

B-BBEE and transformation

Invicta South Africa Holdings Proprietary Limited achieved a rating of Level 6 in the 2018 financial year and the compliance report of the B-BBEE Commission is available on Invicta's website.

Man-Dirk (part of Engineering Supplies Group) has been continuing their empowerment initiative through the AME companies whereby Man-Dirk partners with entrepreneurs in mining communities to create sustainable local supply companies.

ESG are planning to take empowerment a step further by creating a franchise of 100% black-owned companies where entrepreneurs will be supported and assisted by ESG staff.

Further information on Invicta's approach to skills development and socio-economic development can be found on pages 31 to 32.

Environmental Protection

The businesses with the highest environmental impact in the Group, namely BMG's engineering activities and MacNeil Plastics, comply with the applicable standards and are regularly monitored with a view to reducing any negative impact they may have on the environment.

The remainder of the Group has a relatively low direct environmental impact. We are nevertheless mindful of ways to minimise the effect our operations have on the environment and continually monitor elements such as the carbon footprint of products sourced from different suppliers.

Waste recycling occurs as a matter of course and measures are implemented to ensure no oils and chemicals are allowed to contaminate the water table and soil. We are further looking to increase the efficiency of our logistic processes in order to limit the impact the transport our products have on the environment.

The improvement of our sales processes through the use of technology will reduce the amount of paper used by both us and our customers. Invicta has further set up dedicated video conferencing facilities that reduce the need for travel.

Invicta's focus on education

We believe that training and development is the best way to benefit our employees and indirectly, Invicta's other stakeholders.

Invicta's social investment projects are focused around education, supporting both learners and teachers.

Invicta's investment in the development of our employees

Continuous technical training	Sales training and product training
Inhouse seminars on soft skills and leadership	Various inhouse operational and product training on the e-learning portal
Apprenticeships	IT training
Occupational Health and Safety training	Career coaching and mentoring
MerSeta Accredited Learnerships	Bursaries to attend external courses
ISO training	



Direct benefits

Employees have better knowledge of laws, regulations and procedures	Better employee engagement and higher staff retention
Better innovation and identification of opportunities	Improved technical, product and market knowledge in the businesses
A safer working environment	Improved processes and efficiency



Indirect benefits

Employees improve their earning potential; benefitting their families and communities	Improved regulatory compliance and internal controls
Customers and suppliers are better served	Improved financial results

The Humulani Empowerment Trust (HET) / Humulani Employee Investment Trust (HEIT)

The Humulani Employee Investment Trust and the Humulani Empowerment Trust ("The Trusts") were established in 2007 and 2011 respectively and is the main conduit for Invicta's social investments. The trusts are funded by dividends from Invicta South Africa Holdings Proprietary Limited.

Projects are identified and vetted by the trustees who play an active role in supporting the initiatives.

Grow with Educare centres

This project upgrades childcare centres in low-income areas and empowers the school owners through training in high quality early childhood development as well as the skills needed to develop and sustain a successful business.

Network Action Group

HET approved a grant to the Network Action Group to assist with the creation of an Early Childhood Development (ECD) online application. The goal is to collect data on existing ECD services in order to plan and budget improvements.

Ruth First Jeppe Memorial scholarships

HET sponsors ten girls to attend Jeppe High School for girls. The girls (now in grades 8 and 9) are further supported through activities such as study skills courses, career guidance and mentorship programmes.

Buhle Farmers' Academy

Buhle Farmers' Academy offers practical skills training to emerging farmers. HET is the anchor donor for their Livestock course, which is attracting significant interest from women.

Global Teachers Institute: Future Leaders Expansion Programme

The Future Leaders Programme is a development programme that provides school-based mentoring, workplace experience and professional development to teachers.



Trainees in the January - March 2017 Livestock Course. We had a bumper year of female interest. Thanks to you at Humulani, these women were all trained in Livestock production.



Trainees learning how to handle animals in an animal "crush".

Image: Buhle Farmers' Academy



Trainees learning how to brand animals to avoid stock theft and loss.

Image: Buhle Farmers' Academy



Trainees survey the pigs that they are caring for in the practical aspect of their training at Buhle.

Image: Buhle Farmers' Academy



Grade 9: Naledi, Lephuting, Tshaamano Mabuba, Sheila.

Image: Ruth First Jeppe



Grade 8: Bassem Besong, Favour Oluwaleye, Maroushka Maghoma, Chiamaka Obi, Layla Fynn.

Image: Ruth First Jeppe

The Humulani Empowerment Trust (HET) / Humulani Employee Investment Trust (HEIT) (continued)

Partners for possibility

This initiative partners principals from under-resourced schools with business leaders as part of a year-long, structured leadership development programme. During 2017/2018 HET sponsored eight school principals to join the programme.

Skillsure

Skillsure is a work-bridging programme assisting persons working with disabilities, amongst other previously disadvantaged, to enter the formal economy. HET's funding has assisted Skillsure to expand into an experiential area which includes youth who are living with disabilities.

Afrika Tikkun

This initiative provides programmes to holistically support the educational, psychosocial, health and economic needs of children and youth. Their programmes focus on Early Childhood Development; Child and Youth Development; as well as Youth Skills Development and Placement.

PROTEC

PROTEC supports learners from previously disadvantaged communities to attain quality passes in Science, Technology, Engineering and Mathematics (STEM) related subjects to enable and encourage them to pursue careers in STEM. BMG and HET assisted PROTEC to reach out to far-flung areas such as Rustenburg, Carletonville and Steelpoort. PROTEC boasts many distinctions and excellent pass rates amongst its students.

Nampo Combined Agricultural School

The school incorporates Grades RR to 12 and has 790 learners, of which 200 reside on farms. HET has been assisting Nampo School, especially the crèche, with various projects since 2012. The school again achieved a 100% matric pass rate in 2017.

LIV Village

LIV village places vulnerable children into a family environment where they receive unconditional love and guidance on moral values and life skills in order for them to influence and inspire others. HET funds the weekly running costs for four of the foster homes.



Group discussion at the orientation (Midrand, 10 January 2018).

Image: Global Teachers Institute



Group presentations at the orientation workshop (Midrand, 11 January 2018).

Image: Global Teachers Institute



Grow with Educare centres



Some images from the 2017 Summit.

Image: Global Teachers Institute



Some images from the 2017 Summit.

Image: Global Teachers Institute