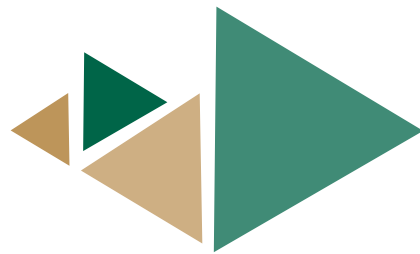


2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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Vision, mission, values and ethics

Our vision 	Our mission 
Our values 	Our code of ethics 

Reading references

 For more information, please refer to the page indicated	Information available on our website 
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 Interactive icon hover

Navigational icons

Our six capitals

- FC** **Financial capital:**
The pool of funds and assets that we maintain
- HC** **Human capital:**
Our people, and all the competencies, abilities, experience and expertise that they bring to the Group
- SRC** **Social and relationship capital:**
The partnerships and relationships that we build and maintain with all our stakeholders, including our employees, providers and suppliers, and our communities
- IC** **Intellectual capital:**
The policies, procedures, intellectual property (IP), knowledge that exists and is cultivated in our organisation, including our vision, mission, purpose, reputation, and the value of our brand
- MC** **Manufactured capital:**
Our vehicles, aircraft, drones, firearms, buildings, properties, technological networks, control rooms and other infrastructure
- NC** **Natural capital:**
The actions we take that help to sustain the environment in which we operate

Our four strategic pillars

- SP1** MAINTAIN CORE BUSINESS
- SP2** OPTIMISE CORE BUSINESS
- SP3** GROW MARKET SHARE
- SP4** ENTER NEW MARKETS

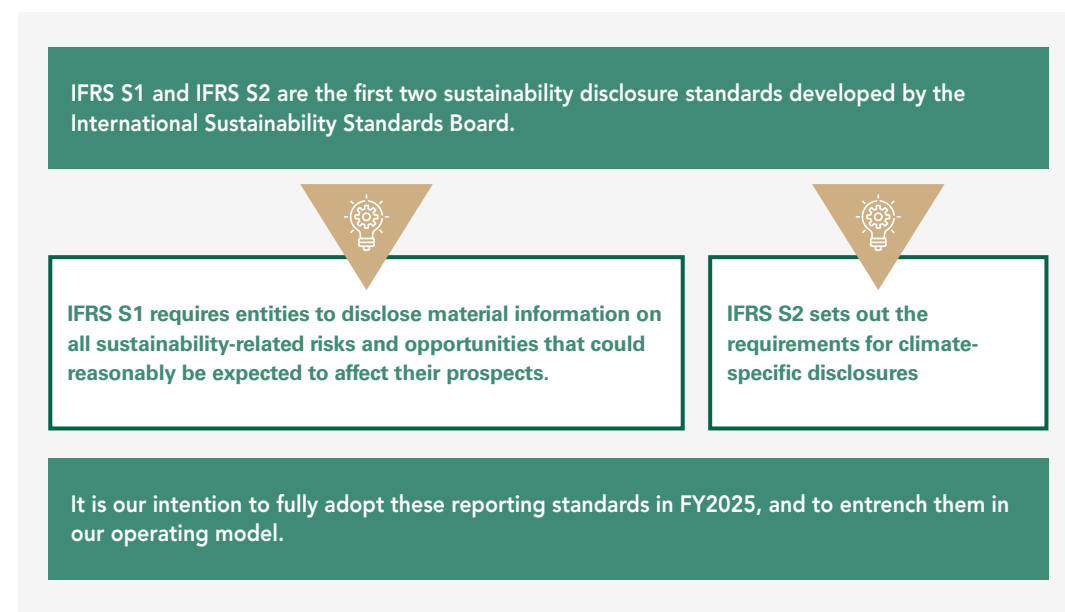
Our stakeholder groups

- CU** CUSTOMERS
- IN** INVESTORS
- EM** EMPLOYEES
- SC** SUPPLIERS & CONTRACTORS
- FI** FINANCIAL INSTITUTIONS
- GV** GOVERNMENT
- CM** COMMUNITIES

Our approach to sustainability reporting

While the components of Environmental, Social and Governance (ESG) reporting are not new to Fidelity Services Group, (the Group) the manner of addressing the interconnections between these components is. The concept of value creation has long been embedded in our ESG journey and remains a core component of our incremental adoption strategy.

Our ESG intent





Transformation and ESG

We understand that the IFRS sustainability disclosure standards form a comprehensive global baseline of disclosure information, whose aim is to enable stakeholders to assess the exposure of a business to sustainability-related risks as well as to opportunities over the short, medium, and long term. We support the fact that through our adoption of these standards, our stakeholders will also be able to assess how we manage those risks and opportunities, to better inform their decisions in providing their resources to us.

IFRS recommended disclosure	Our response	Proposed enhancements
<ul style="list-style-type: none"> Governance The governance processes, controls, and procedures used to monitor and manage sustainability-related risks and opportunities <p><i>For more on our governance, see pages 41 to 46, and our Integrated Annual Report, which is available on request.</i></p>	<ul style="list-style-type: none"> In accordance with King IV, the Board is ultimately responsible for ensuring the Group is a responsible corporate citizen The Board has delegated oversight of the Group's ESG impact, including climate change, to the Transformation, Social and Ethics Committee (TSEC) 	<ul style="list-style-type: none"> Enhance risk management and governance by upskilling the Board, management, and staff Adopt selected aspects of the Sarbanes-Oxley (SOX) Act
<ul style="list-style-type: none"> Strategy The approach used to manage sustainability-related risks and opportunities <p><i>For more on our strategy, see our Integrated Annual Report, which is available on request.</i></p>	<ul style="list-style-type: none"> We acknowledge the centrality of sustainability and understand our responsibilities regarding the communities within which we operate, including the potential to assist with: <ul style="list-style-type: none"> Safety and security issues General economic upliftment One of our strategic objectives is ensuring that our environmental practices, policies, and procedures are appropriately managed, monitored, and measured as per ISO 14001 We aim to minimise the Group's direct carbon footprint by adopting a precautionary approach to the natural environment and promoting initiatives that demonstrate environmentally responsible behaviour 	<ul style="list-style-type: none"> Explore and invest in products and services that accelerate our transition to a low-carbon emitter across all operations Consider assessing climate-related risk and its impact in our value chain

Our approach to sustainability reporting (continued)

Transformation and ESG (continued)

IFRS recommended disclosure	Our response	Proposed enhancements
<p>Risk management The processes used to identify, assess, prioritise, and monitor sustainability-related risks and opportunities</p> <p> For more on our risk management, see our Integrated Annual Report, which is available on request.</p>	<p>Sustainability-related risks are incorporated into our risk-management framework and are monitored by the Risk and Opportunities Committee, assisted by the Safety, Health, and Environmental Subcommittee</p> <p>Our environmental policy formalises and integrates our approach to climate change, which includes identifying, assessing, and managing climate-related risks and opportunities</p>	<p>Allocate responsibility for prioritising and promoting risk monitoring and reporting at divisional level</p>
<p>Metrics and targets Performance in respect of sustainability-related risks and opportunities, including progress towards targets</p> <p> For more on our environmental performance, see page 37 to 39.</p>	<p>We record and monitor various ESG parameters on an ongoing basis</p>	<p>Expand and refine our scope of reporting on sustainability-related metrics and targets</p>

Our sustainability approach – A snapshot

Society*

- Securing the assets of over two million individuals directly in their homes and serving over 60 million individuals indirectly through our footprint and our integrated services offering
- Protecting over 12 000 businesses and corporates throughout South Africa
- Roll-out of Fidelity Fire First Responder project across the Gauteng region, including:
 - ▣ 7 fire trucks
 - ▣ 3 large fire engines

Empowerment

- Proudly South African Level 1 BEE accreditation for over 10 years
- Level 1 BEE accreditation retained in July 2023
- Implementation of Khula Nathi empowerment scheme rewarding long-serving employees – 5 744 shareholders as at 29 February 2024

Skills development and Human Capital

- R109.34 million spent on 7 122 learnerships (FY2023: R158.51 million; 7 134 learnerships)
- 18 475 Youth employees under 29
- Talent attraction and retention driven from Board level
- Succession planning drive linked to executive KPIs

Community

- R14.17 million spent on community care, out of a budget of R15 million (FY2023: R13.66 million)

Environment

	Year-to-date (YTD) actual	Target 2024	2023
■ Total carbon emissions saved	6 540.495 Tonnes Co ₂ e	6 000.000 Tonnes Co ₂ e	5 006.533 Tonnes Co ₂ e
■ GreenPath Platinum Status renewed for 2024			
■ Carbon Disclosure Project registration completed in July 2023			
■ 1 600 trees planted to date			
■ Target of 600 trees for FY2024 achieved: 365 indigenous; 235 fruit			

Energy alternatives

- 1 149 solar panels installed at key locations over the last eight years to reduce dependence on conventional electricity:
- We are targeting the Parow and Midrand Ulwazi sites for installations in FY2025
- 24 vehicles converted to gas during FY2024
- 107 cumulative gas conversions
- 100 conversions targeted for FY2025
- ROI and capex proposed for bulk gas depot installation at Robertville
- Exploring EV opportunities with Standard Bank

Our approach to sustainability reporting (continued)


Our sustainability approach – A snapshot (continued)


British Standards international (BSI accreditations)

- ISO 45001 Occupational Health and Safety
- ISO 14001 Environmental Management System
- ISO 18788 Security Operations Management System – renewed September 2023
- ISO 27001 Information Security Management Systems
- ISO 22301 Business Continuity Management – renewed September 2023
- ISO 9001 Quality Management – successfully audited February 2024
- ISO 37000 Governance – renewed September 2023
- ISO 26000 Social Responsibility – renewed September 2023

Corporate governance

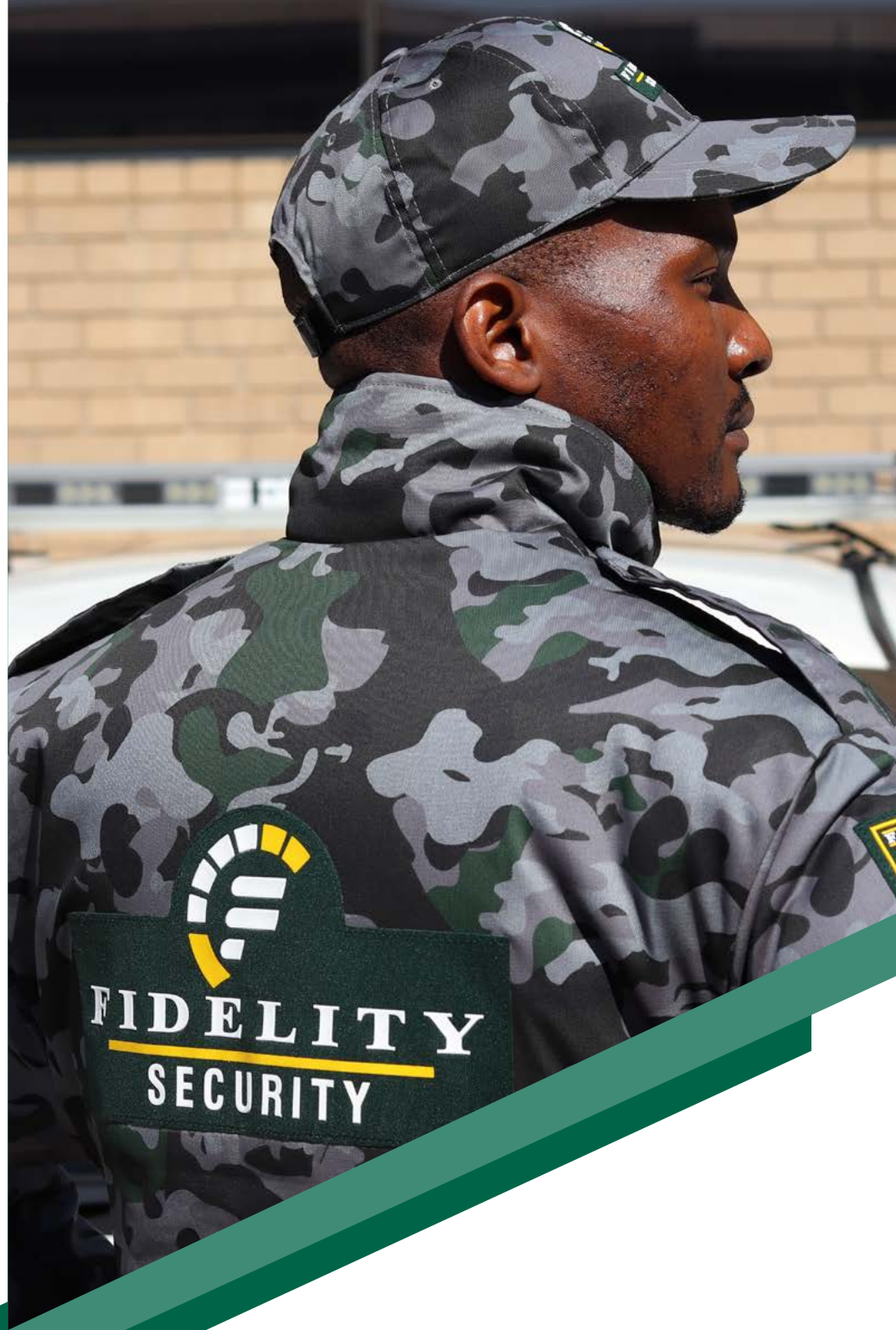
- The majority of our Board and Committees comprise Non-Executive Directors, and include a Non-Executive Chairman
- Won Absa Supplier of the Year award in February 2023
- Won the CGISA/JSE Merit Award for our Integrated Annual Report 2023 in the 'Unlisted Company' category (5th consecutive award) – November 2023
- Our reporting is guided by the principles and requirements of the International Sustainability Standards Board's Integrated Reporting Framework and the King IV Code on Corporate Governance (King IV™)

 * For more on our social initiatives, see page 27 to 35.

 **For more on our environmental initiatives, see page 37 to 39.



Who we are



Our vision	05
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Who we are

The Fidelity Services Group is Southern Africa’s largest integrated services and risk solutions provider and the industry leader in protection innovation, and our goal of excellence in service delivery and implementation is fundamental to our impressive track record. We offer a wide range of technology-enabled services and security solutions and leverage our unmatched national coverage to provide services across Southern Africa, with approved contractors in Namibia, Botswana, Mozambique, Angola, Zambia, and other African states.

In continually striving to improve our value proposition, we harness technological advances as a competitive advantage by constantly seeking newer, faster, and superior technologies available in the global market as well as those we develop within the Group.

Pursuing excellence through technology

By building on national and local services and infrastructure platforms that integrates best-of-breed artificial intelligence (AI) and the transformation of data into valuable information for our customers we continually innovate and expand our bouquet of services and related products to provide an enhanced service offering. Moreover, our operations are supported by helicopters and drones, robotic process automation, and artificial intelligence.

 For more on our products and services, see our Integrated Annual Report.


We customise our solutions to our customers’ needs, in pursuance of an integrated risk-focused and cost-optimised facilities management service. With over 65 years of experience, the Group’s unique selling proposition lies in exceptional leadership, an unwavering commitment to Transformation via ongoing environmental, social, and corporate governance initiatives, a comprehensive infrastructure, and a proactive approach to staying at the forefront of the continually evolving security and facilities management environment.

Our operating divisions

We offer our services to a wide range of private- and public-sector customers through three operating divisions:

- Guarding and Security Services
- Technology, Armed Response, Vehicle Telematics, Fire and Cleaning
- Cash Solutions

These business divisions are supported by our centralised Corporate Support and Administration function. While our divisions operate on a decentralised basis, with each division responsible for its own business and also cross-selling its services to other divisions’ customers, our aim is to provide integrated comprehensive risk and security services that can be scaled up to meet evolving needs.

 For more on our operating divisions, see page 17.

Transformation and empowerment

Our Level 1 Broad-Based Black Economic Empowerment (B-BBEE) accreditation, together with our ongoing strategic and highly successful transformation and B-BBEE initiatives make us the largest Black Economic Empowered (BEE) Integrated Services and Risk Solution Provider in South Africa, with a 57.26% B-BBEE shareholding at the applicable operating subsidiary level.

Our vision

To be the pre-eminent provider of integrated services protecting the assets of our customers in Southern Africa and targeted international markets, through the consistent achievement of excellence in every sphere of our services.

Our mission

- To ensure that the customer remains the focus and centre of our activities
- To differentiate through superior service which adds value but remains affordable
 - To provide operational excellence
 - To stay innovative in the application of technologies and solutions
 - To continually invest in employing and developing quality personnel
 - To remain the market leaders who lead by example


Our values

- Focusing on the needs of our customers
- *Innovating* on an ongoing basis
 - *Determination* to ensure the ongoing success of all our stakeholders
 - *Encouraging* our employees to always go the extra mile
 - *Loyalty* as being core to our customers and employees
 - *Integrity* in all our actions
 - *Teamwork* as the basis of success
 - *Yielding* good and fair returns to all our stakeholders

Our code of ethics

Our code of ethics is reviewed annually by the Transformation, Social and Ethics Committee (TSEC), which delegates the Human Capital (HC) department to assess the code and present its findings to the committee. This committee also monitors compliance with the code through quarterly reports from the Group Internal Audit Manager, which includes feedback from our whistleblower hotline and our Internal Audit department.

The code also applies to all our shareholders, directors, managers, employees, suppliers, financiers, customers and competitors, while at the same time requiring all Group representatives to act in good faith and in a manner that promotes our ongoing aspiration to remain a good corporate citizen. In addition, we require all our suppliers to acknowledge in their supply contracts that they have read and understood the code, and that they agree to be guided by it in their actions and behaviour.

 For more on governance, whistle-blowing and stakeholders, see page 41 and our Integrated Annual Report.



Who we are (continued)

“Sustained growth, innovation and development have characterised our journey from our inception.”

Our history

Mr AAC Bartmann (Senior) is widely recognised as the founder of the business, and as an icon for the Fidelity Group with the launch in 1957 of Fidelity Guards (FG), as South Africa’s first Cash Solutions service, which was later bought by the Rennies Group in 1986.

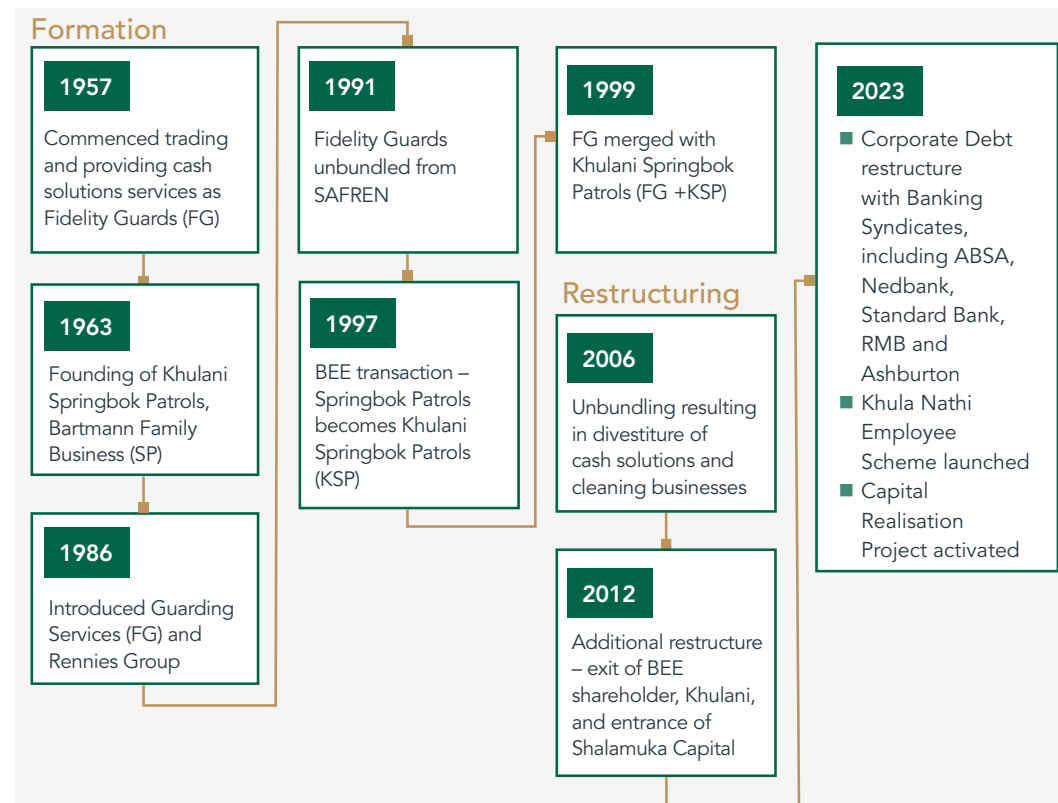
Springbok Patrols (SP) was founded by Mr AAC Bartmann (Senior), in 1963 and became Khulani Springbok patrols through a BEE transaction in 1997.

In 1999 Fidelity Guards and Khulani Springbok Patrols merged and became Fidelity Services Group via an MBO transaction.

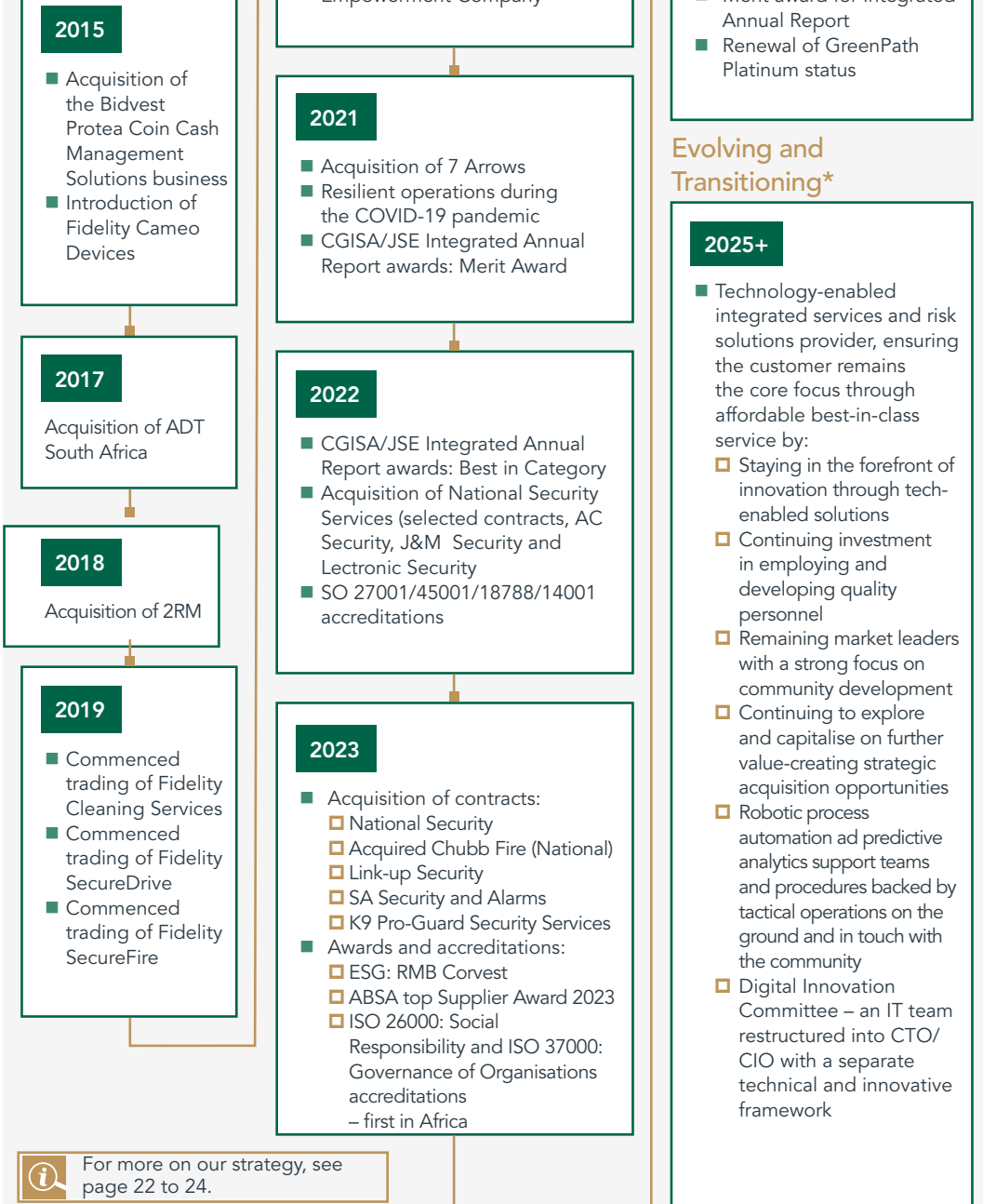
Over the next two decades ‘Fidelity’, as the organisation is universally known across South Africa, grew steadily into South Africa’s largest integrated risk and facilities solutions provider, focused on providing a disciplined and uncompromising ethos of service excellence to the customer.

Exceptional leadership also contributes to Fidelity’s exceptional growth and position as a front-runner in security and facilities solutions.

Our journey

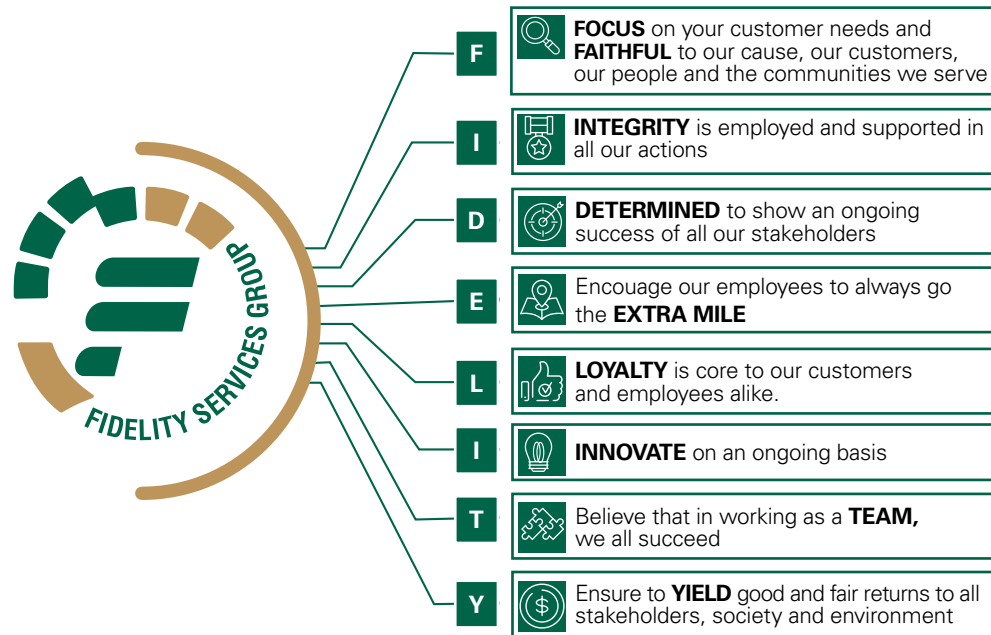


Acceleration of Growth Strategy*



Who we are (continued)

Our value-based name



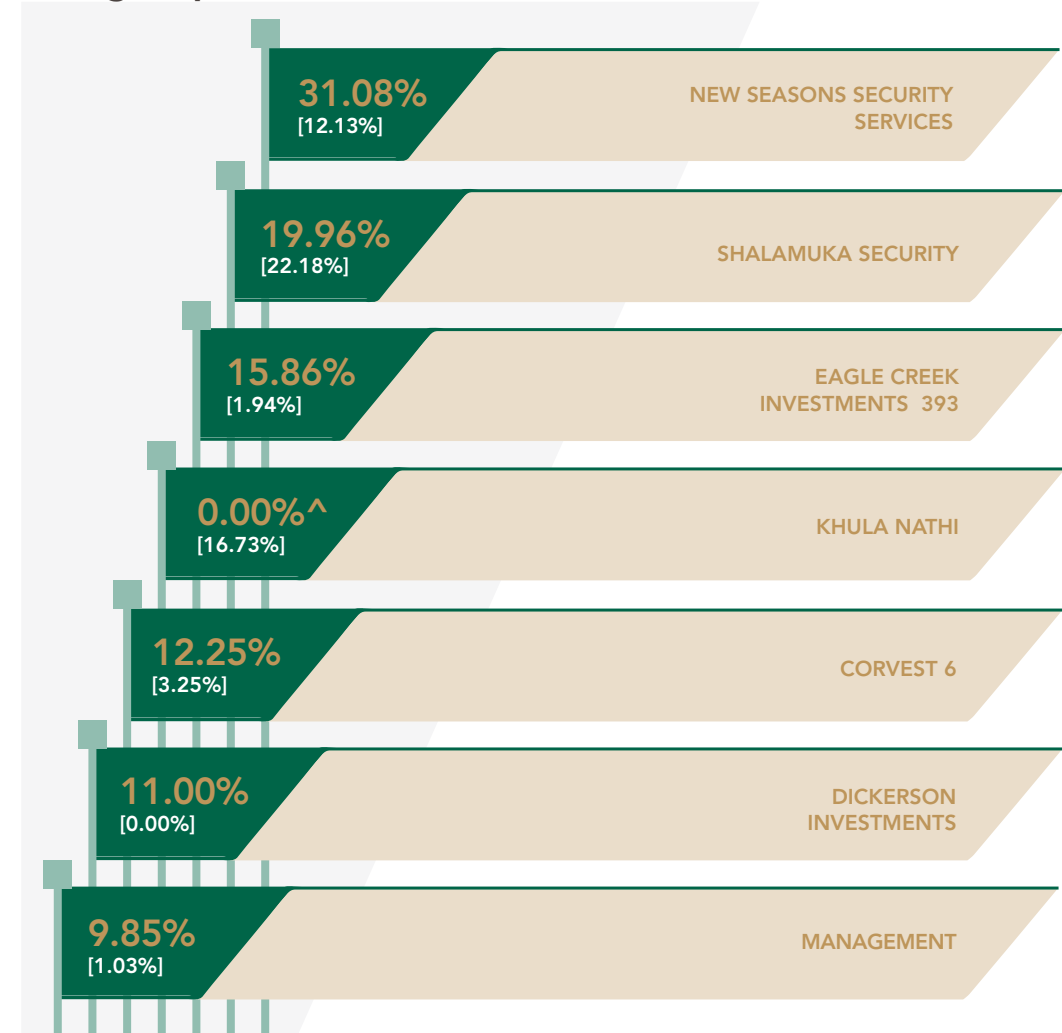
Our value-added approach

Our value-added approach comprises these attributes:



These building blocks are fundamental to our operations and are entrenched in our corporate culture. It is our value hierarchy that governs our relationship with our customers, shareholders and all other stakeholders.

Our group shareholders

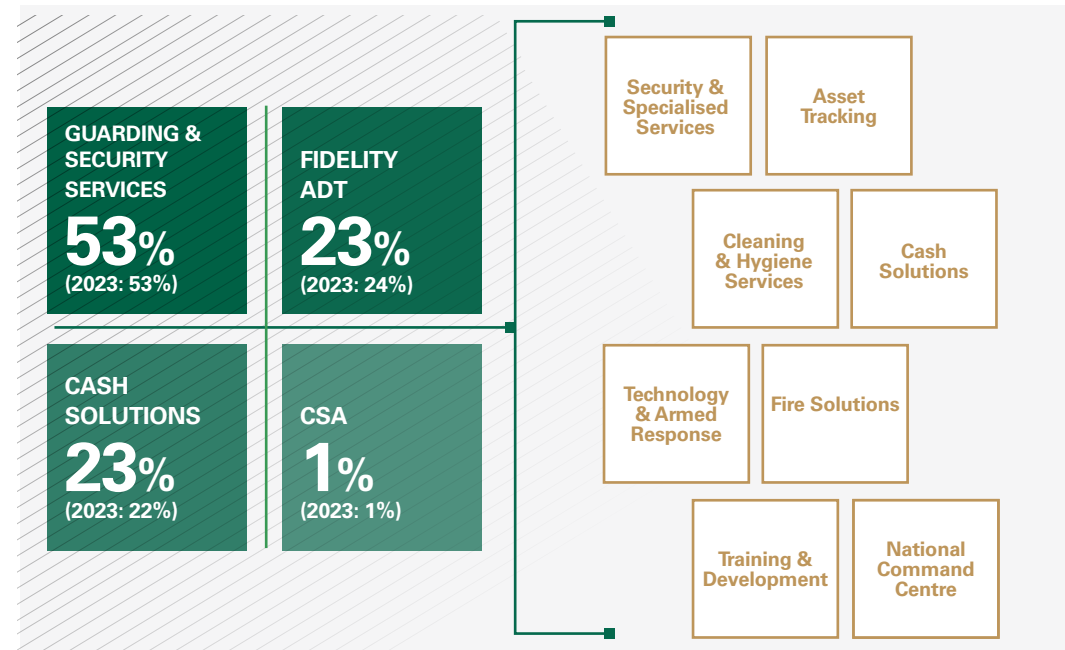


For more about our shareholders see our Integrated Annual Report which is available on request.

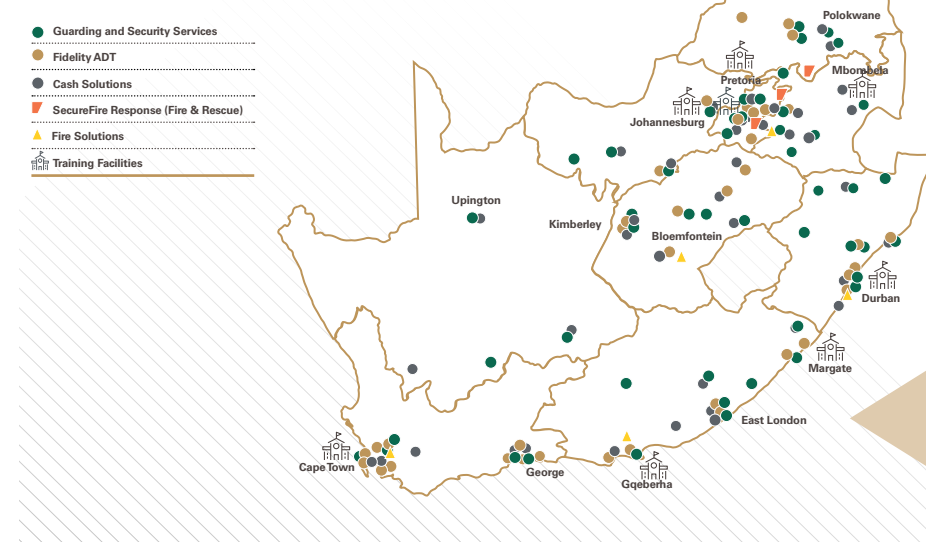
[57.26%] Effective B-BBEE shareholding
 ^Khula Nathi effective holding stems through the holding in Fidelity Security Services and related subsidiaries

Who we are (continued)

Our integrated operations. FY23 revenue composition



Our national footprint



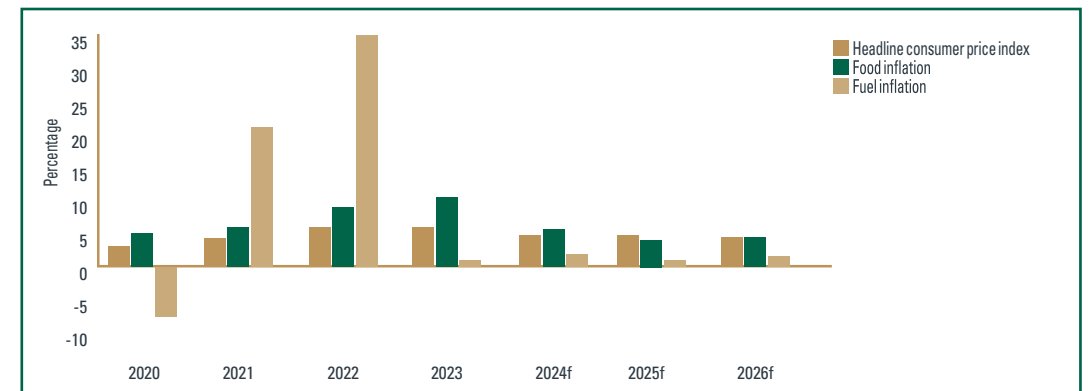
The social and environmental context in which we operate

The South African socio-economic picture

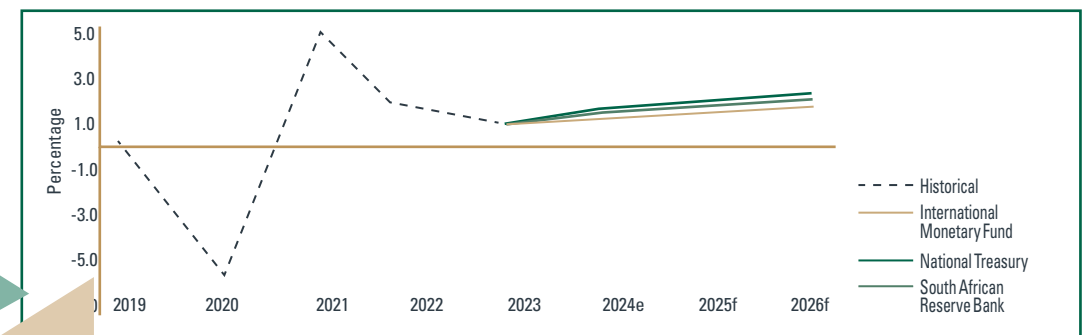
The year under review saw the most severe loadshedding ever, with more than 6,700 hours recorded, compared with around 3,700 in 2022. While the country managed to avoid a technical recession, real GDP growth stood at 0.6%, with flat household consumption expenditure against a background of a high cost of living and the ongoing energy crisis.

Operational challenges in rail and port infrastructure have slowed investment, with growth noticeably lacking on both the demand and supply side. With the high cost of doing business, high lending rates, constraints in both power and transport, political uncertainty linked to the May 2024 elections exacerbated the knock-on effects of global constraints and uncertainties.

Food and fuel are South Africa's main inflationary categories



Projected muted growth in South African GDP, trailing global projections



"e" refers to estimate and "f" refers to forecast

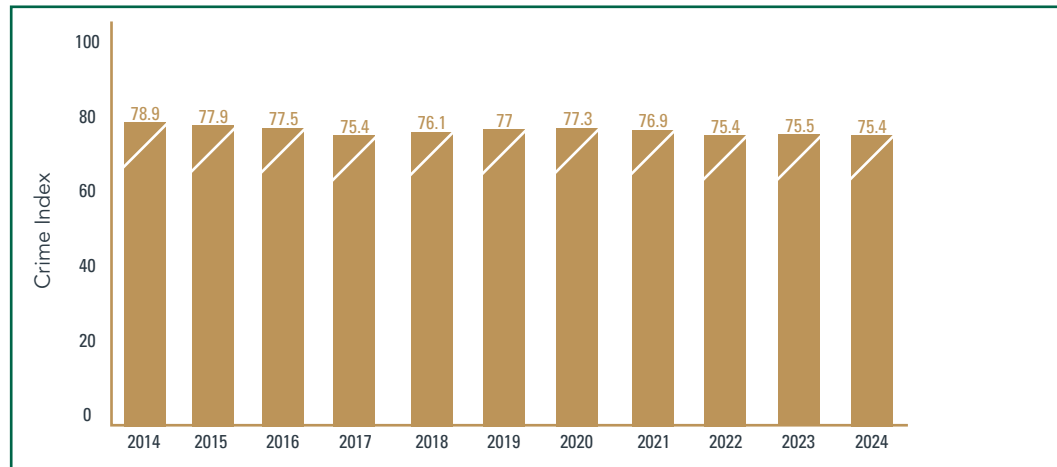
Who we are (continued)

The social and environmental context in which we operate (continued)

Crime in South Africa

South Africa has the highest crime index in Africa, and ranks as the fifth most dangerous country globally. During the year under review, South Africa recorded a crime index of 75.4, and while this remains high, it was nevertheless one of the lowest recorded in the country since 2017.

South African crime index – 2014–2024



The South African environmental picture

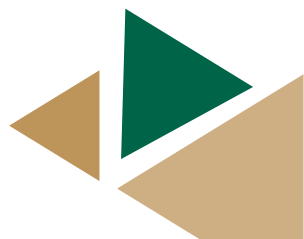
As a country, South Africa is among the top 20 emitters of greenhouse gases—and the top emitter on its continent. As one of the world’s top 10 coal producers and the resource’s fourth largest exporter, it plays a contributing role in the climate crisis that affect human rights around globally.

While South Africa does have renewables in its energy mix, it relies heavily on coal for 70% of its energy demand, a situation that will persist for the foreseeable future.

South Africa is a water-scarce country, and as such, remains vulnerable climate change impacts. This has been evidenced by extreme weather events growing more intense, such as the January 2024 floods in the Eastern Cape, and the KwaZulu-Natal and Eastern Cape floods in which 448 people died, over 40 000 were displaced, more than 12 000 homes were destroyed.

Key social and environmental indicators

Indicator	What it is	Most recent value and date	Chart
GDP per capita (Current US\$)	GDP per capita is gross domestic product divided by midyear population. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products.	US\$6 766.50 (2022)	
Poverty headcount ratio % of population	The poverty headcount ratio denotes the percentage of the population living on less than \$2.15 a day at 2017 purchasing-power-adjusted prices.	20.5% (2014)	
Human Capital Index (HCI) (Scale: 0–1)	The HCI calculates the contributions of health and education to worker productivity. The final index score ranges from zero to one and measures the productivity as a future worker of child born today relative to the benchmark of full health and complete education.	0.4 (2020)	


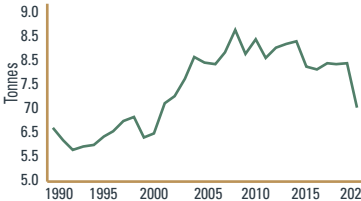
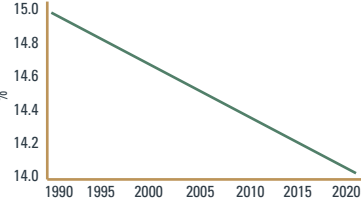


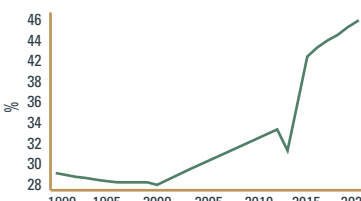
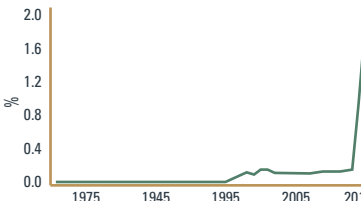
Who we are (continued)

The social and environmental context in which we operate (continued)

The South African environmental picture (continued)

South Africa – Key social and environmental indicators* (continued)

Indicator	What it is	Most recent value and date	Chart
Unemployment (% of total labour force)	Unemployment refers to the share of the labour force that is without work but available for and seeking employment.	28.4% (2023)	
CO ² emissions (Tonnes per capita)	Carbon dioxide emissions are those stemming from the burning of fossil fuels and the manufacture of cement. They include carbon dioxide produced during consumption of solid, liquid, and gas fuels and gas flaring.	6.7 (2020)	
Forest area (% of land area)	Forest area is land under natural or planted stands of trees of at least 5 meters in situ, whether productive or not, and excludes tree stands in agricultural production systems (for example, in fruit plantations and agroforestry systems) and trees in urban parks and gardens.	14% (2021)	

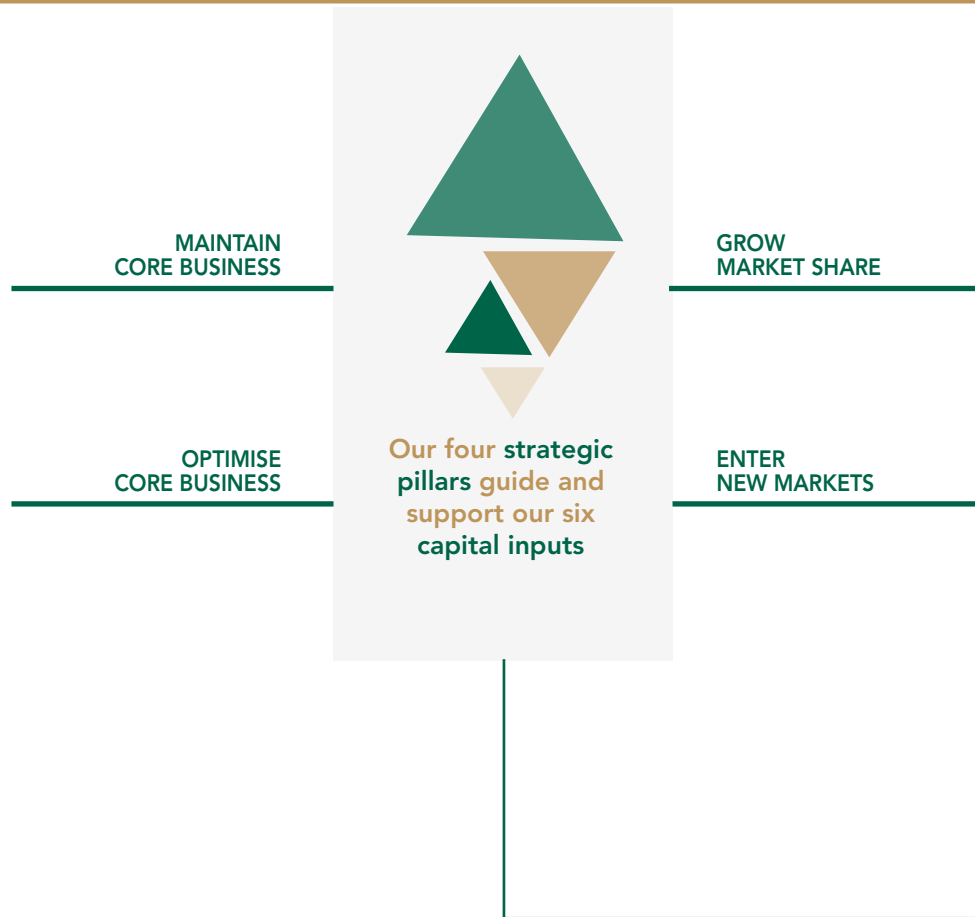
Indicator	What it is	Most recent value and date	Chart
Annual freshwater withdrawals (% of internal resources)	Annual freshwater withdrawals refer to total water withdrawals, not counting evaporation losses from storage basins.	45% (2020)	
Electricity production from renewable resources, excluding hydro-electric (% of total)	Electricity production from renewable sources, excluding hydro-electric, includes geothermal, solar, tides, wind, biomass, and biofuels.	1.9% (2015)	



Who we are (continued)

Our value-creating business model

While our value-creating business model utilises all six of our capitals as inputs and refers to them in its outcomes, it is itself also a fundamental part of our financial and intellectual capitals. It frames the way we create value for all our stakeholders, and is the foundation of our strategy-based growth built on strategic and organisational innovation and technological integration whose focus is exceptional service delivery and customer experience.



Our six CAPITAL INPUTS

<ul style="list-style-type: none"> ■ R12.8 billion Group revenue (FY2023: R12.3 billion) ■ R2.05 billion Fixed assets (FY2023: R1.87 billion) ■ R663.6 million Cash balance (FY2023: R484.6 million) ■ R835.46 million Adjusted reported profit (FY2023: R1.08 billion) ■ R699.69 million Capex (FY2023: R609.88 million) 	<ul style="list-style-type: none"> ■ 60 300 Employees (FY2023: 58 103) ■ 49 782 Security officers (FY2023: 47 908) ■ An experienced and ethical leadership team ■ Commitment to equal opportunities, safety and well-being ■ Investing in employee development through: <ul style="list-style-type: none"> ■ Butterfly Incubator Programme ■ Junior Leadership Development Programme ■ Senior Management Development Programme 	<ul style="list-style-type: none"> ■ R327.26 million Total inventory value (FY2023: R252.91 million) ■ 5 970 Vehicles (FY2023: 4 076) ■ 7 Helicopters (FY2023: 2) ■ 11 Drones (FY2023: 0) ■ 88 151 SecureDrive units (FY2023: 76 722) ■ 7 Control rooms (FY2023: 7) ■ 48 Cash handling depots (FY2023: 48) ■ 8 545 Firearms (FY2023: 8 532) ■ National Command Centre ■ Fidelity Data Warehouse ■ Mutango Lodge
<ul style="list-style-type: none"> ■ Diligently researched business plan ■ Well-defined future-orientated strategy ■ Entrepreneurial innovative integrated services culture ■ Marketing campaigns and initiatives ■ IT systems and technological innovation ■ Strong balance sheet ■ Market and data analysis ■ Strong corporate governance ■ Institutional knowledge 	<ul style="list-style-type: none"> ■ 427 805 Customers (FY2023: 363 612) ■ 57.26% BEE shareholding (FY2023: 51.09%) ■ Informed engagement with government ■ Integrated brand promise ■ Socially-conscious supplier partnerships ■ 6.0% Employees with disabilities (FY2023: 6.1%) ■ R39.02 million Invested in employee training (FY2023: R38.82 million) ■ Strong EVP with acknowledgement and reward propositions ■ Invested in leadership succession ■ 76% Proportion of unemployed people among job applicants 	<ul style="list-style-type: none"> ■ 2050 Carbon neutral plan ■ Electricity ■ Fuel ■ Water ■ Utilisation of numerous eco-cleaning products and methods ■ Solar-powered electricity solutions ■ Vehicle conversions to CNG ■ Tree-planting campaign



Who we are (continued)

Our value-creating business model (continued)

Implemented through an entrepreneurial culture using technology and innovation, to establish and embed OUR VALUE-CREATION ACTIVITIES, PRODUCTS, SERVICES, SYSTEMS AND PROCESSES

- Unique training and systems
- Proprietary methodology for posting and deployment of guards and crews
- Support processes and systems
- Profitability by sector, branch, site, route, security officer
- Business intelligence
- Research and development, registered patents
- Innovative technology
- Acquisitions
- Manufacturing

Mediated through INTEGRATED FACILITIES MANAGEMENT across our FIVE DIVISIONS



Delivering OUTPUTS

- 98% of procurement spend with local suppliers (FY2023: 98%)
- 30 683 employees trained (FY2023: 33 320)
- Well-managed relationships with all stakeholder groups, including half a million customers.
- 24 vehicles converted to run on CNG (FY2023: 83)
- 32 404 MWh electricity consumed (FY2023: 21 594 MWh)
- 30 297 k litres fuel used (FY2023: 30 189 k litres)
- 100 573 k litres water used (FY2023: 97 621 k litres)
- In ESG= 74 tons Co₂e (2023: 103 tons Co₂e)
- Fair and transparent pay and benefits
- 57 732 employees (FY2023: 57 013)
- 49 782 Security officers (FY2023: 47 908)
- 7 950 Managers and administration staff (FY2023: 9 105)
- Skilled Board and executive management
- Training and skills development

- R835.46 million | Adjusted PBIT (FY2023: R1.08 billion)
- R1.41 billion | Adjusted EBITDA (FY2023: R1.57 billion)
- 3.7% | Equity growth (FY2023: 12.5%)
- R150 million | Dividend distributed (FY2023: R1.7 million)
- Localisation strategy implementation
- Brand reinforcement and market communication
- Deployment of new technologies
- Effective training and control processes
- Operating systems, policies, processes and procedures
- Information technology and cyber security
- R2.05 billion | Tangible fixed assets (FY2023: R1.87 billion)
- 185 | Points of presence (FY2023: 185)

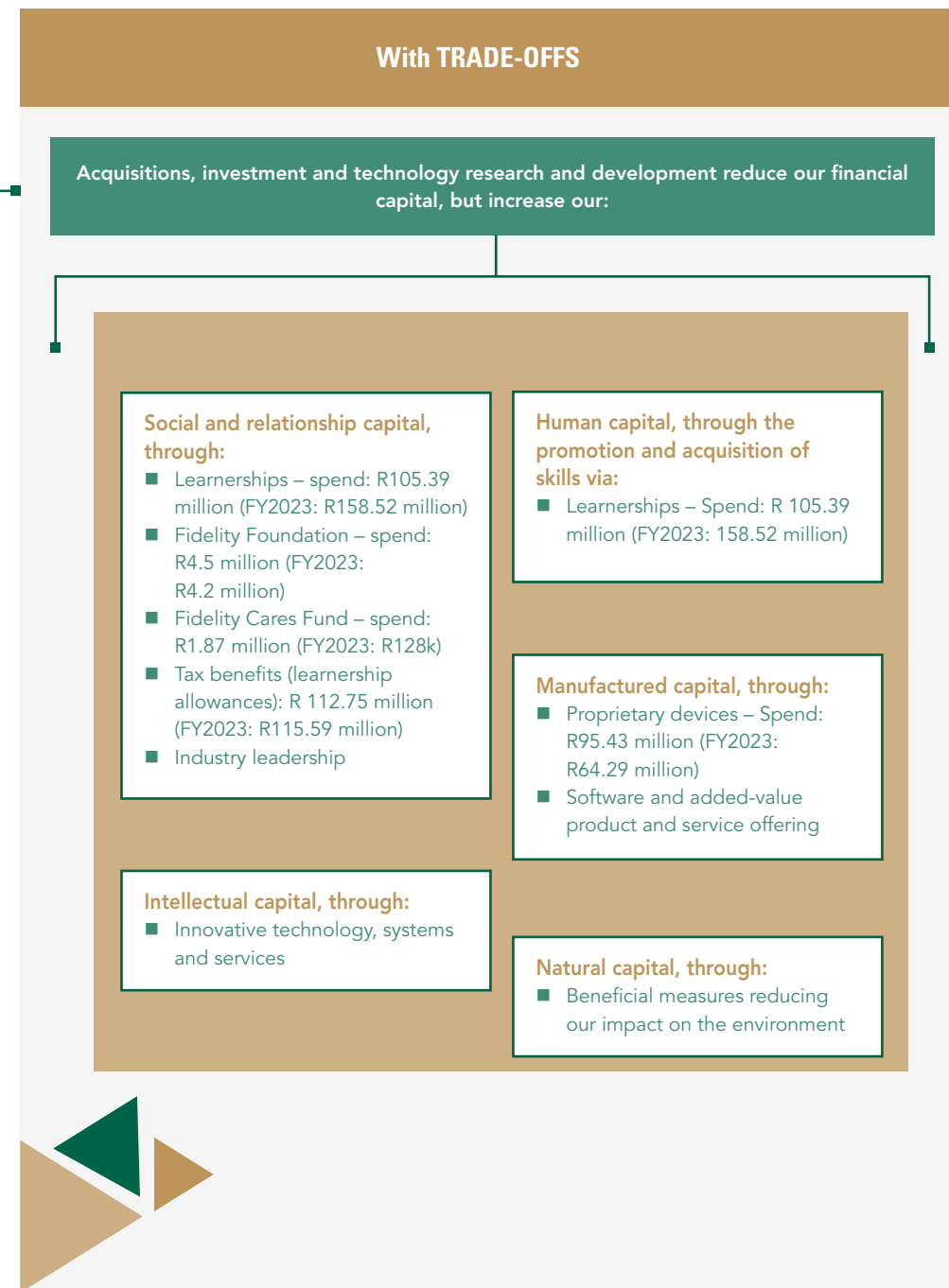
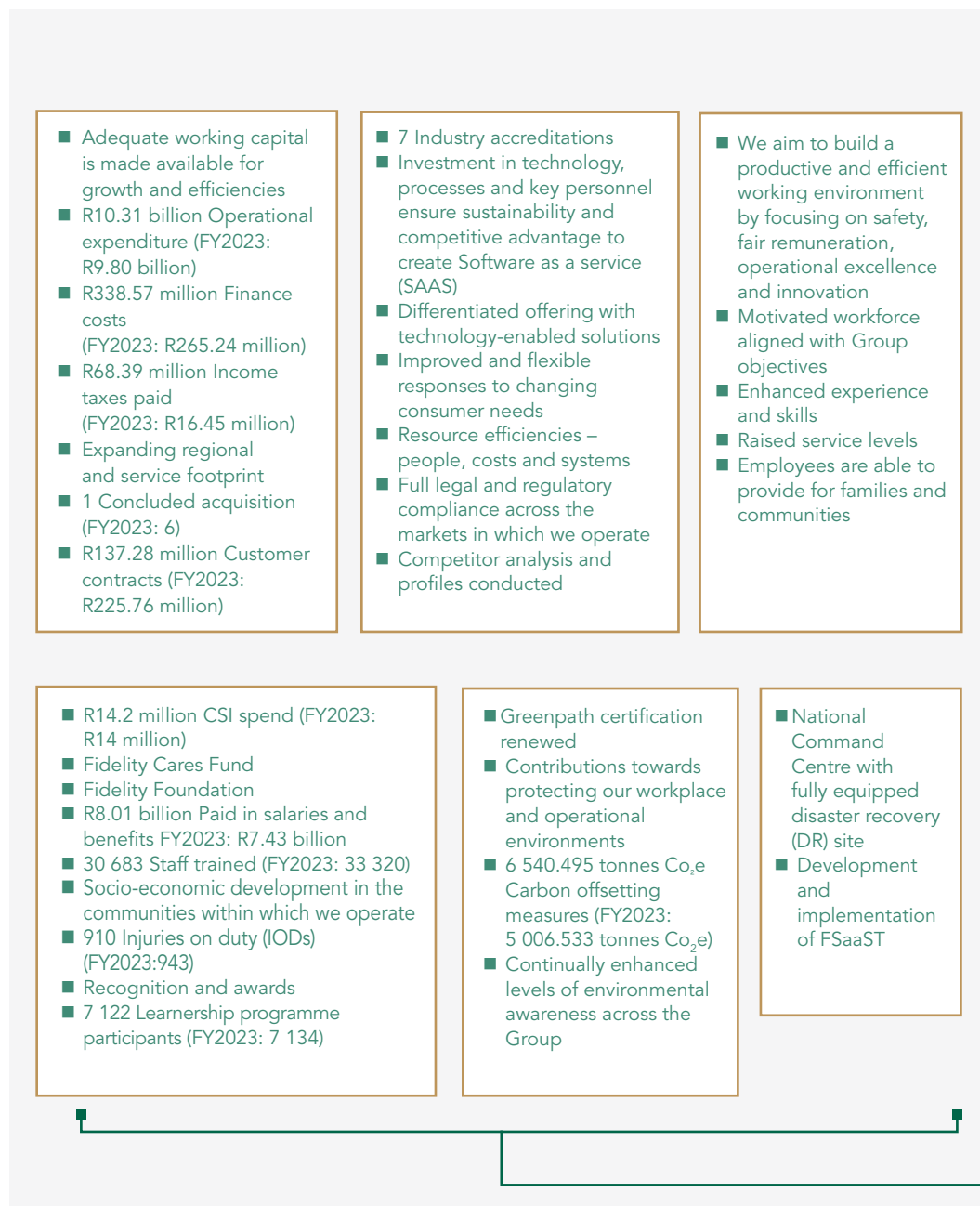
Yielding OUTCOMES

Stakeholders impacted Stakeholders impacted Stakeholders impacted Stakeholders impacted Stakeholders impacted Stakeholders impacted



Who we are (continued)

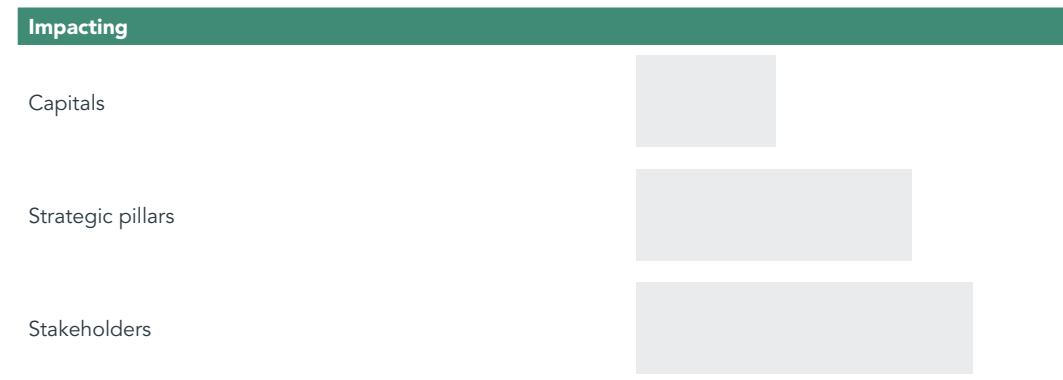
Our value-creating business model (continued)





Who we are (continued)

Our BEE commitment



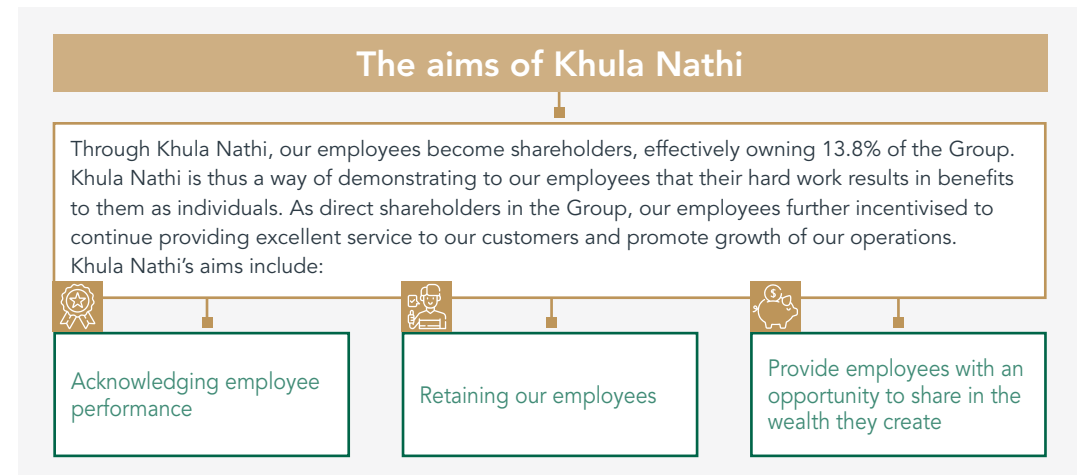
We remain committed to contributing towards transforming South Africa. We understand that responsible corporate citizenship is critical to creating not just a sustainable future for our country and all its people, but also for our business. One of the ways in which we realise this understanding and commitment is by maintaining an ownership structure that includes a meaningful BEE component.

Khula Nathi shareholding

We see an engaged and committed workforce that has vested interest in business success as a key differentiator. Accordingly, with the aim of entrenching our philosophy of entrepreneurship, ownership, and stewardship, the Khula Nathi Employee Investment Company realises the Group's partnership with its employees by providing them with the opportunity of becoming shareholders, and by rewarding them for their commitment to the business.

The Board acknowledges its long-serving and committed employees, while at the same time ensuring that we sustainably maintain our Level 1 B-BBEE accreditation.

As the leading Risk and Facilities Management Group in Southern Africa, our employees are our greatest asset and we are the first employer in the Security Services industry sector to implement an employee empowerment scheme of this nature.



Governance of Khula Nathi

In adherence to the highest standard of corporate governance, the Khula Nathi Board is chaired by an external Independent Non-Executive Director who is supported by employer and employee directors. The employee directors are appointed through a transparent and democratic process overseen by an external independent body and the Group's Internal Audit Manager.

For more on governance, see page 41.



Who we are (continued)

Our BEE commitment (continued)

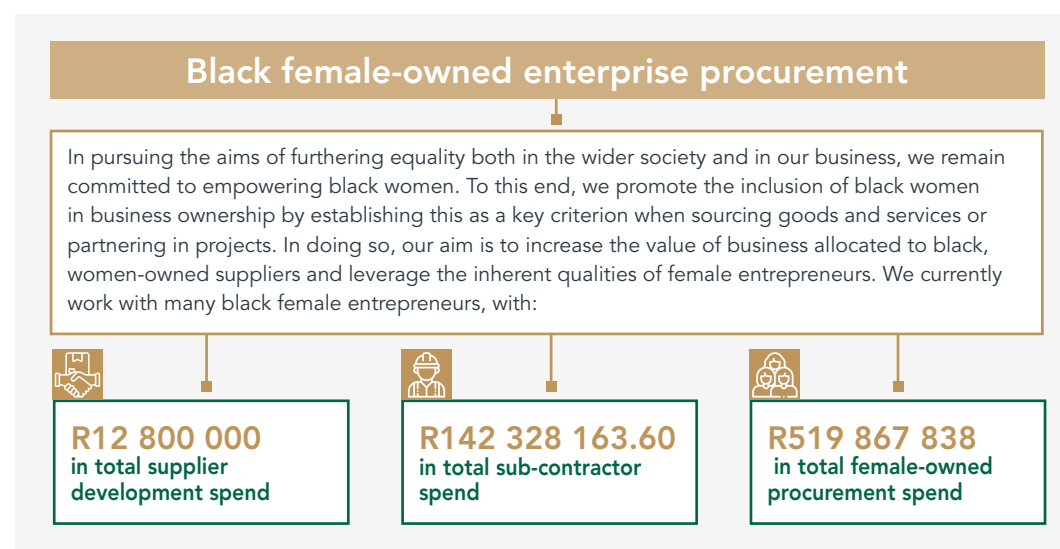
Khula Nathi shareholding (continued)

Khula Nathi – an overview

Sub-Element	Indicator	Weighting points	Compliance target	Actual	Score
Voting rights	Exercisable voting rights in the enterprise in the hands of black people	4	25.01%	51.71%	4.00
	Exercisable voting rights in the enterprise in the hands of black women	2	10.00%	10.24%	2.00
Economic interest	Economic interest of black people in the Enterprise	4	25.00%	51.09%	4.00
	Economic interest of black women in the enterprise	2	10.00%	9.97%	1.99
	Economic interest of any of the following black natural people in the measured entity: <ul style="list-style-type: none"> ■ Black designated groups (youth, unemployed, rural living, disabled) ■ Black participants in employee share ownership programmes ■ Black people in broad-based ownership schemes ■ Black participants in co-operatives 	3	3.00%	38.17%	3.00
	Involvement of black new entrants in the ownership of the enterprise	2	2.00%	14.26%	2.00
Realisation points	Net equity value	8	25.00%		7.47
					24.46

Share phase	Total No. of participants	Total No. of shares	Black participants		
			No. of participants	No. of shares	Proportion
Phase 1	10	42 500	10	42 500	100.00%
Phase 2	5 733	11 530 100	5 298	10 362 450	89.87%
Cumulative	5 743	11 572 600	5 308	10 404 950	89.91%
Phase 3*	5 000	10 075 395	4 750	9 571 626	95.00%
Projected	10 743	21 647 996	10 058	19 976 576	92.28%

*The roll-out of Phase 3 is expected to be completed by 31st March 2024.



Message from the Chairman



Message from the Chairman

As South Africa's largest integrated services and risk solutions provider, we believe that as a responsible corporate citizen, we have an obligation to integrate ESG principles into our business and investment strategies. We see this as enabling us to make a meaningful contribution to the socio-economic development in our country, not only by addressing social challenges, but also by promoting environmental sustainability, while at the same time fostering good governance. It is our belief that the realisation of these principles enhances the overall well-being of our communities and facilitates long-term growth, both for our business, and for the wider economy.



Our operating environment

We have noted in this report the various social and economic conditions that have continued to prevail in South Africa during the year. Important issues such as rising crime rates, ongoing cost-of-living pressures, tied in no small degree to the ongoing rising price of fuel, overall inflation, unemployment and the continuing electricity supply crisis.

For more on the socio-economic context in which we operate, see page 08 to 10

It is against this background that we have had to adapt and adopt strategies that will enable us to continue to operate sustainably, and to continue provide our services at the highest, most innovative, levels. We recognise that creative, integrated thinking and the inclusive application of our values, strategic objectives and corporate social responsibilities is the way forward for us as a business, and that this will require ongoing commitment to our people, and the communities in which we operate.

We have therefore embarked on a journey that requires commitment to a key value that we have always stood for and a determined stance as a sustainable entity. In keeping with our capacities and the stature that industry-leading position bestows, and as a socially and environmentally compliant organisation we are committed to taking cognisance of the challenges we all face.

An equitable workplace

We understand that successful transformation management requires a holistic approach that addresses these interconnected elements to drive not only sustainable change across the Group, but to help drive positive and impactful progress in society and in the environment. An important component of this is our commitment to B-BBEE principles and employee inclusiveness.

We therefore take a broader view and see ourselves very much as working within the context of societal needs. Our sustainability strategy considers B-BBEE targets and South Africa's National Development Plan (NDP), so that our objectives remain aligned with national interests and priorities.

For more on our shareholding, see our Integrated Annual Report which is available on request.

Employee health and safety

It is a fact that the services we offer result in our employees facing physical and psychological risks daily in the course of keeping fellow South Africans safe. It is for this reason that the health and safety as well as the personal development of all our employees is always central to the way in which we work, and the culture we wish to embed.

For more on employee health and safety, see page 32.

Environmental factors such as flooding, storms, or fire damage also form a part of the landscape in which we operate. As global warming continues to make its impacts felt, we know that these factors will increasingly have the capacity to disrupt not only our business operations, but the lives of those directly affected.

Working for and with the community

As part of our awareness of the centrality of sustainability, we believe that we have the potential to assist not only with safety and security issues, but with general economic upliftment through sustainable and inclusive supply, support for education and environmental awareness.

To this end, with a view to fostering and maintaining positive relationships, and assisting with proactive initiatives, we work with local bodies such as municipalities, ratepayer associations and charitable organisations, as well as through the Fidelity Foundation, which partners with local public benefit organisations familiar with the needs of their communities, to provide support in various community-based economic, educational and upliftment projects.


For more on CSR and the Fidelity Foundation, see pages 33 to 35.

Message from the Chairman (continued)

Energy and resource management


We are fully cognisant of the impact of our use of fuel and energy, which have carbon offset implications. Indeed, we are committed to being a net-zero carbon organisation by 2050. We are proud that we continue to make strides in delivering on that goal through our carbon offset programme with its annual targets, which also include our Carbon Disclosure Project, and independent assessments on both performance and reporting.

We are likewise aware of the need for natural resource management and waste recycling, including the general management of our buildings and their environs. In this regard, there are ongoing initiatives to introduce measures to minimise waste and energy consumption, promote health and safety and minimise dependence on paper-based systems.

 For more on our resource management, see page 37.

United Nations Sustainability Development Goals (UNSDGs)


In addition, we aspire to the goals and intent of international organisations such as the United Nations Global Compact and the UNSDGs, and we are on an ongoing drive to implement and implement meaningful measures in support of them.

 For more on the UNSDGs, see page 25.

Integrating our business

To this end, we continue to pursue the integration of all our departments to attain efficiency and robustness. We recognise that to accomplish this, it is imperative to embed and ESG consciousness within the Group. The development of our ESG Compliance Matrix, has thus allowed us to map out a methodology for decision-making that will facilitate the attainment of our ESG goals.

Among other measures in this regard, we are realising this by setting interviews with different department heads within the Group to gain an in-depth understanding. This, in turn will enable the establishment of a road map on ways to achieve our goals, set our targets, measure our progress and devise plans to respond to the Group's ESG strategy for 2050. Our ESG vision expands on our core vision.

 For more on our strategic intent, see page 22.

Our sustainability reporting – Looking ahead

While the components of ESG are not new to the Group, the manner of addressing the interconnections between these components is. The concept of value creation has long been embedded in our ESG journey and remains a core element of our incremental adoption strategy.

In the medium to long term, we will continue to harness technological advances. We see it as both a business, and social imperative never to lessen our resolve in constantly seeking newer, faster, and enhanced global technologies to improve our value proposition. We know that continuing evolution and innovation will enable us to remain a leader not only in the security and risk solutions market, but to aspire to leadership in our community and environmentally based efforts.



NELSON MWALE
Chairman





How we sustain value




Our sustainability material matters	20
Our ESG strategy	22
Adhering to the UN SDGs	25



How we sustain value

As South Africa’s leading security services provider, we understand the impact of our activities on the communities within which we operate. We therefore strive to include and uplift them, by providing not only better safety and security, but directly, by offering opportunities for employment and procurement and indirectly, by seeking to improve the quality of life through skills-transfer, support for education and environmental responsibility.

We frame our efforts by defining those matters we deem material to our sustainability approach, through the management of risk, and through our overall Group strategy. This, in turn is reflected in our business model, which takes into account not just the sustainability of our business, but of the social and natural environment in which we conduct our activities.

 For more on our business model and strategy, see pages 11 and 22 respectively, and our Integrated Annual Report which is available on request.



Our sustainability material matters

Impacting	
Capitals	
Strategic pillars	
Stakeholders	

“We define our sustainability material matters as those issues that are most likely to affect our ability to put in place, implement, monitor and measure our financial and non-financial endeavours to mitigate environmental and societal challenges and thereby create sustainable value for our stakeholders. It is these material matters that help guide us in assessing our ESG risks, and identifying them is an important component of our intellectual capital.”

We recognise that material matters can change over time with the changing socio-economic conditions within which we operate, and the changing needs and requirements of the people, communities and environments among and for whom we provide services. During the year under review. To that end, our executive management team, together with the active participation of third-party consultants, gave due, regular and thorough consideration to identifying and assessing our sustainability material matters.

Among the inputs taken into consideration was the Sustainability Material Matters Survey conducted in June 2022 among relevant staff and stakeholders. The aim of the survey was identify the relative respective importance of potential sustainability material matters in the perception of both our business and our stakeholders.

How we sustain value (continued)

Our sustainability material matters (continued)

Identifying our sustainability material matters

Potential material matter	Importance to the business (out of 5)	Importance to stakeholders (out of 5)
1. Anti-bribery and corruption	5,00	5,00
2. Climate change, energy and emissions	4,34	4,34
3. Culture, values and behaviours	4,59	4,34
4. Customer trust and service delivery	4,97	4,83
5. Diversity and inclusion	4,45	4,45
6. Employee health, safety and well-being	● 4,69	4,62
7. Employee recruitment, retention and development	4,41	4,24
8. Governance, compliance and industry standards	● 4,86	● 4,69
9. Human rights and duty of care	4,62	● 4,69
10. Labour relations	4,66	4,48
11. New technologies and data ethics	4,66	4,55
12. Positive social impact	4,31	4,31
13. Responsible supply chain	4,31	4,28
14. Risk management and future proofing	● 4,69	● 4,66
15. Stakeholder relations	● 4,69	● 4,69

● Matters most important to the business ● Matters most important to stakeholders

Ranking our sustainability material matters

The survey also ranked the two groups' respective top ten potential sustainability material matters.

Business ranking

Rank	Potential material matter	Importance to the business (out of 5)
1	Anti-bribery and corruption	5,00
2	Customer trust and service delivery	4,97
3	Governance, compliance and industry standards	4,86
4	Employee health, safety and well-being	4,69
5	Risk management and future proofing	4,69
6	Stakeholder relations	4,69
7	Labour relations	4,66
8	New technologies and data ethics	4,66
9	Human rights and duty of care	4,62
10	Culture, values and behaviours	4,59

Stakeholder ranking

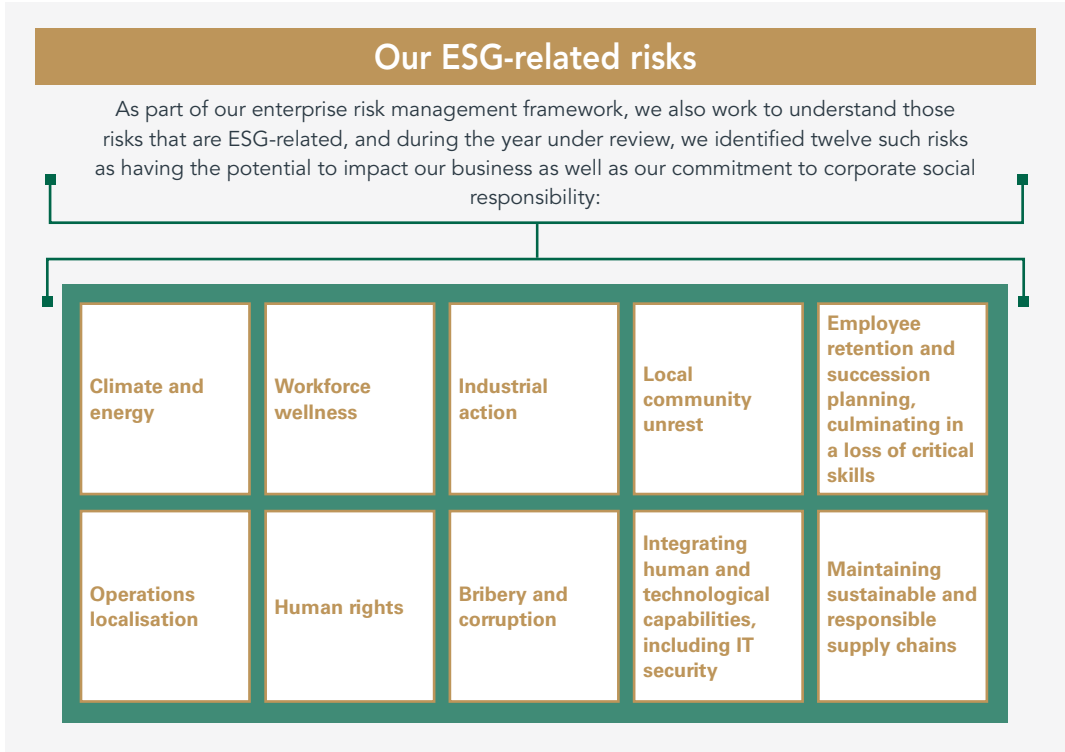
Rank	Potential material matter	Importance to stakeholders (out of 5)
1	Anti-bribery and corruption	5,00
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4	Human rights and duty of care	4,69
5	Stakeholder relations	4,69
6	Risk management and future proofing	4,66
7	Employee health, safety and well-being	4,62
8	New technologies and data ethics	4,55
9	Labour relations	4,48
10	Diversity and inclusion	4,45





How we sustain value (continued)

Our sustainability material matters (continued)



ESG disclosure and transparency

As part of our commitment to good and responsible governance, we recognise that transparently keeping track of, and reporting on, the impact of our business beyond purely financial metrics, is crucial to building stronger relationships with our stakeholders.

We also consider transparent disclosure of ESG impacts and efforts to be an important part of how we do business. We are therefore also committed to improving our ESG disclosure and transparency throughout the Group by implementing several programmes. We believe that by setting targets, benchmarks, or performance indicators wherever possible we will help to ensure transparency on both our performance and on strategic ESG matters.

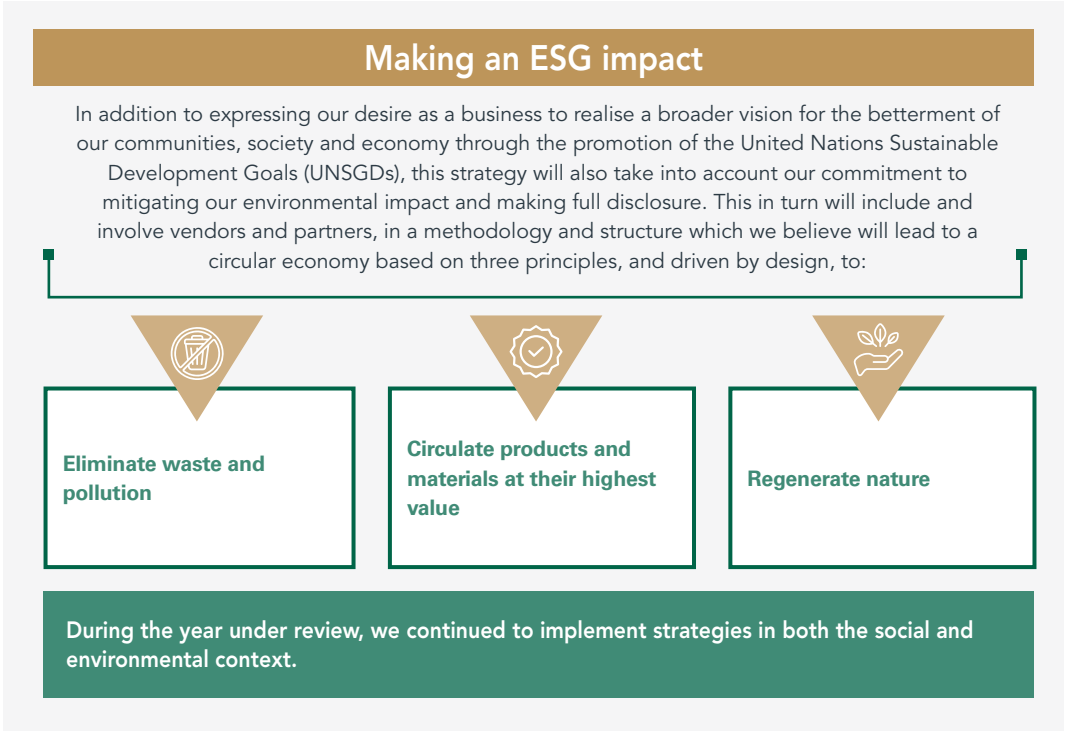
For more on governance and risk management, see page 45 and our Integrated Annual Report which is available on request.

Our ESG strategy

As part of our deeply felt obligation to correctly manage, guide and undertake decision-making regarding our ESG-related activities, we will be devising and implementing an ESG strategy.

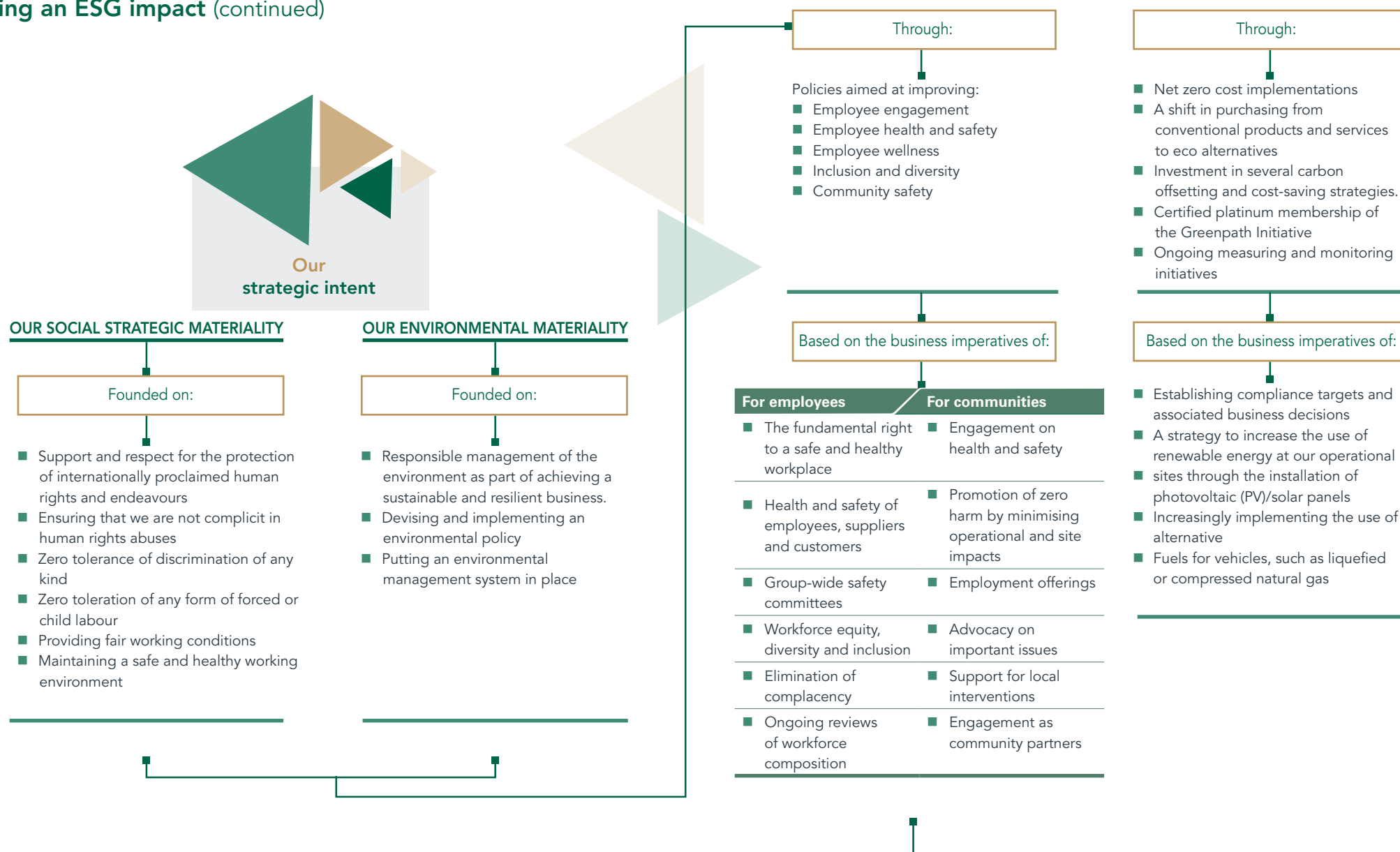
Involving the business

ESG is central to how we create value and ensures we achieve excellence throughout our organisation and supply chain. Our aim is to involve all employees and make our commitment a team effort. We believe that Going Green and achieving the triple bottom line of People, Planet, and Profits is achievable by challenging ourselves and examining the alternatives.



How we sustain value (continued)

Our ESG strategy (continued) Making an ESG impact (continued)



How we sustain value (continued)

Our ESG strategy (continued) Making an ESG impact (continued)

For employees

The Care Fund focuses primarily on current and former employees of the Group, their immediate families, and employees injured on duty. It provides support by ensuring support, care and appropriate advice for:

- Employees injured on duty
- Sick employees
- Employees' extended families, in the event of the death of an employee
- Facilitating general emotional support through external specialised service providers
- Assistance with funeral arrangements

Other services of the Care Fund include:

- Purchasing wheelchairs and related products for impaired employees
- Providing transport to hospitals or clinics for employees who are injured on duty
- Supporting needy employees during difficult times through once-off interventions

For communities

Our CSI programme strategic objectives

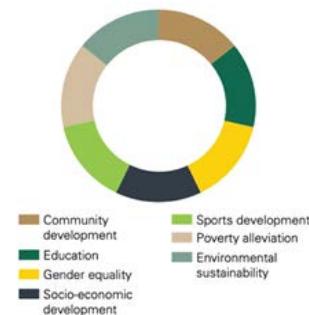
During the year under review our CSI programme strategic objectives were to:

- Empower marginalised local communities
- Support the Group's strategic positioning as a contributor towards the development of disadvantaged communities
- Make a positive impact in communities in which we operate
- Develop and empower historically disadvantaged communities in social, economic and environmental spheres for long-term growth and sustainability
- Enhance the Group's reputation as a caring corporate citizen by aligning with the provisions of South Africa's NDP
- Attract and retain qualified staff and ensure that the Group is a preferred employer in the industry
- Enhance the loyalty and pride of existing staff

How we implement our strategy

Interventions under Fidelity Foundation NPC are undertaken through public benefit organisations (PBOs). We use our strategic pillars as a guiding tool in deciding which projects to sponsor.

Our CSI project focus





How we sustain value (continued)

Adhering to the UNSDGs Our UNSDG partnership

The SDGs were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.

As the 17 SDGs are integrated, we recognise that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability.

We understand that it is necessary to combine creativity, knowhow, technology, and financial resources from across society to achieve the SDGs in every context.

Partnerships for SDGs Platform

The Partnerships for SDGs online platform is the United Nations' global registry of voluntary commitments and multi-stakeholder partnerships made in support of sustainable development and the SDGs. The platform also facilitates the sharing of knowledge and expertise among multi-stakeholder SDG-related partnerships and voluntary commitments, and for providing periodic updates on progress.

With this in mind, during the year under review, we continued on our journey of implementing actions with the aim of supporting and subscribing to those SDG goals that are relevant and achievable throughout our business.



Our planned actions and commitments

	No poverty	
	Zero hunger	
	Good health and well-being	
	Quality education	
	Gender equality	
	Cleanwater and sanitation	
	Affordable and clean energy	
	Decent work and economic growth	
	Industry innovation and infrastructure	
	Reduced inequalities	
	Sustainable cities and communities	
	Responsible consumption and production	
	Climate action	
	Life below water	
	Life on land	
	Peace, justice and strong institutions	
	Partnerships for the goals	

Government-level responsibility Part of company policy with additional actions planned

Our approach to social sustainability

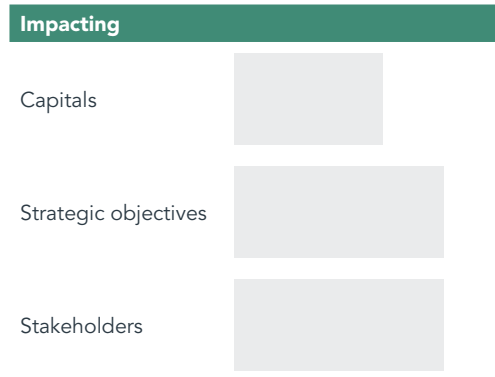


Safety, Health, Environment (SHE) 30

Supporting the community – Fidelity Cares 33



Our approach to social sustainability



Our social materiality is focused on policies aimed at improved community and employee engagement, health and safety, employee wellness, inclusion and diversity, and community safety. Our approach to our social contribution therefore reflects our understanding that a safe and healthy workplace is not only a fundamental right of every person, but also a business imperative.

It is because the health and safety of employees, suppliers and customers is such an important aspect of our business that we have established health and safety committees across the Group.

Our relationship with our employees

We believe that our workforce is well advanced in reflecting goals of diversity, equity, and inclusion. We recognise the potential for the subliminal effect of natural human biases, and view our role as an employer and community member is one in which we continue to ensure that there is no complacency. We therefore constantly review our workforce composition across all levels of the business, with the aim of retaining a diverse, equitable, and inclusive staff complement.

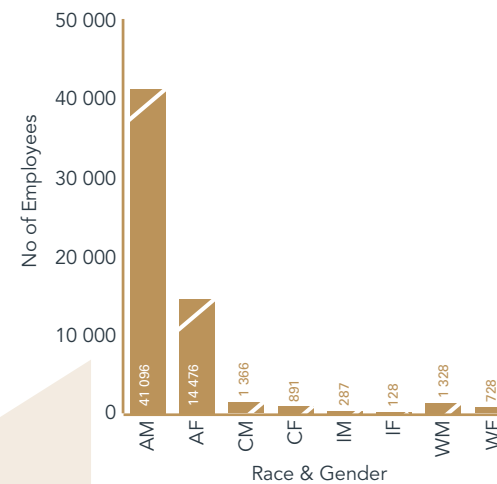
Our workforce* – FY2024

Occupational level	Male					Female					Grand Total
	African	Indian	Coloured	White	Total	African	Indian	Coloured	White	Total	
Top Management	0	1	0	1	2	1	0	0	0	1	3
Senior Management	23	15	6	118	162	3	3	2	22	30	192
Professionally qualified	406	54	88	383	931	76	11	27	118	232	1 163
Skilled technical	1 768	135	320	465	2 688	742	72	230	394	1 438	4 126
Semi-skilled	37 017	81	928	358	38 384	9 855	42	590	192	10 679	49 063
Unskilled	1 882	1	24	3	1 910	3 799	0	42	2	3 843	5 753
Total	41 096	287	1 366	1 328	44 077	14 476	128	891	728	16 223	60 300

*We do not distinguish between permanent and temporary employees.

We encourage open communication to resolve workplace issues between team members or between employees and management. We are acutely aware of the diverse cultures and the differences norms and traditions from which our workforce is drawn, and which as a business, we need to acknowledge and respect. We do not tolerate discrimination of any kind, nor any form of forced or child labour. We strive to provide fair working conditions and maintain a safe and healthy working environment.

Employee diversity



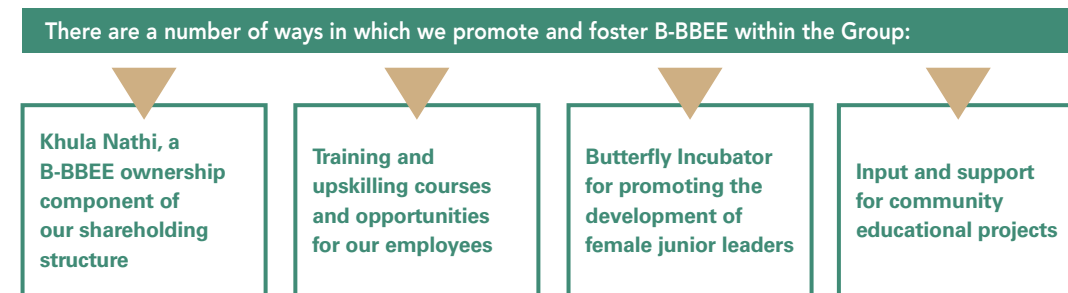
Our approach to social sustainability (continued)

Equality as philosophy

Our human resource philosophy is based upon equal opportunity, irrespective of race, religion or gender. We are therefore committed to a workplace culture in which everyone has access to opportunities that support their personal development and in which everyone can reach their potential without barriers.

Broad-Based Black Economic Empowerment (B-BBEE)

In regard to B-BBEE, we take a broader view, and see ourselves very much within the wider context of societal needs. Our sustainability strategy considers B-BBEE targets as well as South Africa's National Development Plan (NDP).



Skills development, employee retention benefiting the community

Our ability to deliver on our purpose and the success of our company ultimately depends on the skills, experience and conduct of our employees. To deliver on this, we understand that we must attract and retain the most talented professionals if we are to realise our strategic aim being an employer of choice. We are a significant source of employment for the communities in which we operate, offering direct employment through full and part-time jobs across the spectrum of our activities.

Fostering learning and development (L&D)



The Butterfly Incubator

This programme continued from strength to strength during the year under review, as we have aligned it with a National NQF 4 Management and Admin certificate that is itself aligned to the National Qualifications Framework.

Butterfly Incubator participants – FY2024

African Female	Coloured Female	Indian Female	White Female	Total
15	1	1	5	22

We also offer our employees:



During the year under review we offered employees training and upskilling in:

- Private Security Industry Regulating Authority training: Grades E–A
- Special events
- General security practices learnership NQF 3
- National Key point training
- Retail training
- Estate training
- Firearm training all categories (Handgun Shotgun Rifle)
- Occupational health and Safety
- Firefighting
- First aid
- Private Security Industry Regulating Authority training: Grades E–A
- Civil aviation training
- Maritime training (ISPS Code)
- Refresher (Gautrain, ADC, Reg 21, NKP, First Aid, Firefighting)
- Driver training levels 1-5
- Armed response training
- Cash-in-transit training
- Junior learnership programme
- Operational management development programme
- Senior management development program
- Cleaning learnerships
- EVP programmes

These programmes have improved the skills of our employees and have assisted with developing unemployed disabled communities by providing them with the opportunity both to gain a National Qualification and to be employed subsequently within the various fields.

Our approach to social sustainability (continued)

The Butterfly Incubator (continued)

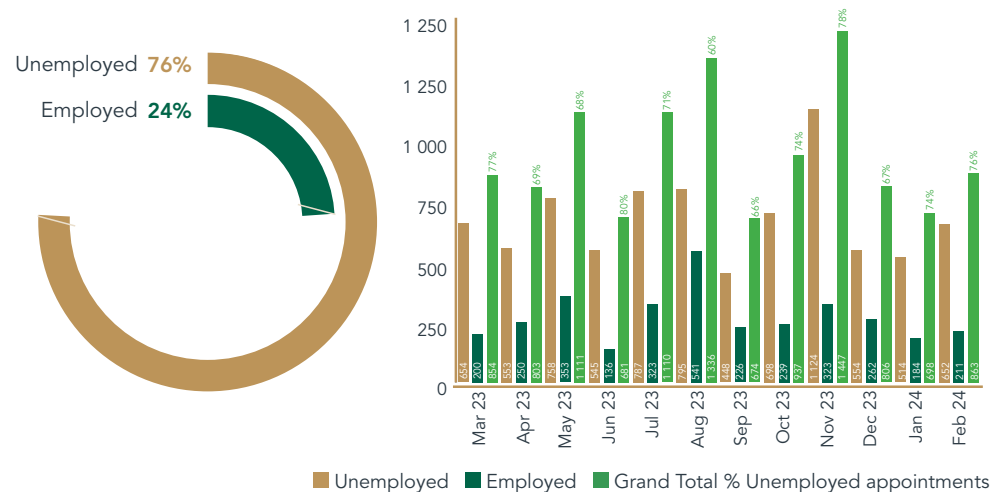
The L&D department complied with all Group requirements during the year and no negative feedback was received. However, based on feedback programmes are continuously reviewed, with training material and content adjusted accordingly.

Breakdown of employees trained in FY2024

Description	Employed Males	Trained Males	Employed Females	Trained Females
African	38 513	20 075	12 674	4 417
Coloured	1473	971	942	497
Indian	288	284	125	113
White	1 339	1 312	735	673
Total	41 613	22 642	14 476	5 700

Our recruitment – supporting communities and the economy

During the year under review, we also concluded an analysis of new applicants who were unemployed at the time of submitting a formal job application to the company. The results are a strong confirmation of one of the ways our employment policy and philosophy support individuals directly, and the communities they live indirectly, as well as helping address societal unemployment issues, and thereby, the wider economy.

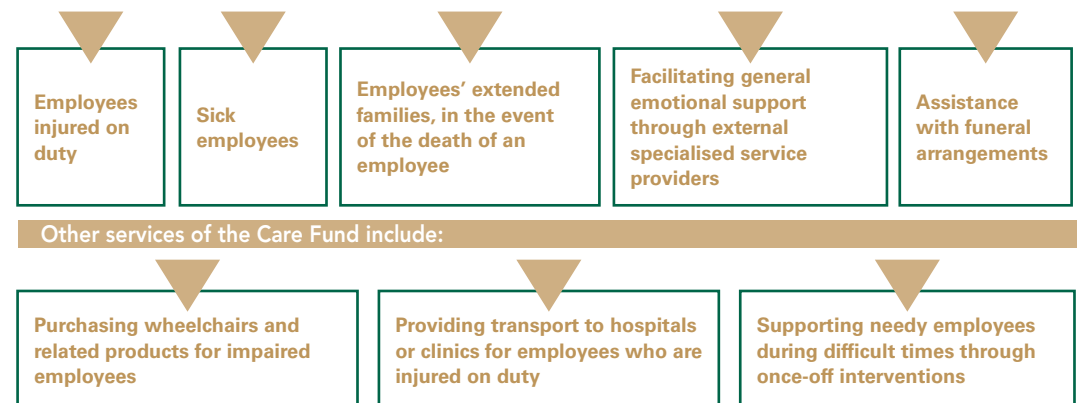


Health and wellness

We maintain a wellness plan and calendar, and during the year we continued to conduct medical assessments on wellness days, with the number of wellness days increased to 22, to enable us to reach operations staff. These interventions included education and encouragement of employees to undergo these assessments annually, as well as assisting employees to access chronic illness treatment via their medical benefits.

Fidelity Cares NPC – Assisting employees

The Care Fund focuses primarily on current and former employees of the Group, their immediate families, and employees injured on duty. It provides support by ensuring support, care and appropriate advice for:



Our relationship with our communities

We define communities as populations that may be directly affected or impacted by our activities, and we continually look beyond our own operations for opportunities to contribute to their wellbeing. We thus strive to help create and contribute to social value in those communities through:

- Positive social and economic benefits generated by our core business
- Our engagement and advocacy on important issues
- Our contribution as community partners.

Community health and safety

We recognise that community health and safety can pose a risk to the Group if communities are not actively engaged and encouraged to provide inputs, comments or raise grievances with the Group directly. We are therefore committed to:

- Managing community health and safety to achieve zero harm from site- and activity-related impacts
- Managing risks to site operations
- Improving overall community health and well-being

Moreover, we support and respect the protection of internationally proclaimed human rights and endeavour to ensure that we are not complicit in any human rights abuses.

Our approach to social sustainability (continued)

Safety, Health, Environment (SHE)

Our SHE team is key component of the Group's human and social and relationship capitals. It establishes, implements and monitors a comprehensive set of measures designed to ensure the safety and wellbeing of employees, customers, and other stakeholders, while at the same striving to minimise the environmental impact of the Group's operations while maintaining quality service to our customers.

Overview

The SHE team plays a central role in the Group's day-to-day operations by:

Ensuring compliance with relevant laws, by-laws and regulations

from health and safety standards and environmental regulations to ISO45001 and ISO14001 control requirements. In doing so, we are responsible for maintaining awareness of changes in legislation and ensuring that the Group's operations remain in compliance at all times

Identifying and managing risks,

including identifying potential hazards in the workplace as well as on sites where services are provided, assessing the likelihood and impact of those hazards, and implementing measures to mitigate or eliminate them.

Promoting a culture of safety, health, environmental responsibility across the organisation. This involves:

- Providing training and education to employees
- Communicating important safety and environmental information
- Fostering a culture of continuous improvement
- Ensuring that all employees are aware of the importance of these issues and are committed to working together to maintain high standards

Monitoring and measuring the effectiveness of the Group's safety,

health and environmental programmes to ensure that the Group's programmes remain effective, and that the organisation is able to achieve its goals in accordance with its annual charter. This involves:

- Collecting data on key performance indicators (KPIs), such as incident rates, environmental impact, and customer satisfaction
- Using that data to identify areas for improvement. By continuously monitoring and measuring performance, the SHE team helps to ensure that the Group's programmes remain effective, and that the organisation is able to achieve its goals in accordance with its annual charter

Fostering a safety culture and driving safety awareness through:

- Awareness campaigns ranging from driver reward programmes to site-specific awareness sessions
- Regular communication bursts including:
 - Weekly toolbox-talk emails
 - WhatsApp group videos
 - SMS distribution with safety topics
 - Microsoft Teams sessions with client sites

- Ensuring every employee understands the importance of safety
- Continuously identifying potential hazards and taking proactive steps to mitigate them
- Encouraging reporting of any safety concerns or near-miss incidents to appropriate supervisors, managers or SHE representatives
- Continuous improvement through regular safety audits and reviews to identify areas of concern and the implementation of corrective actions
- Recognising safety achievements by:
 - Monitoring and measuring safety milestones
 - Recognising via MVA meetings, SHE Committee meetings via motor vehicle accident (MVA) meetings, SHE Committee meetings people who prioritise safety

Our approach to social sustainability (continued)

Safety, Health, Environment (SHE) (continued)

Matters of SHE material concern – FY2024

During the year under review, we identified a number of health and wellness matters that are of material concern in respect of their possible impact on the efficient and successful delivery of our services at the levels of quality that we demand of ourselves and that our customers expect.

Material matter	How it impacts our business and what we to mitigate the threat
Injuries caused by hand-related accidents and motor vehicle accidents (MVA)	These injuries have a detrimental impact on the productivity and overall safety of our workforce. The management is taking prompt measures to address this issue and ensure that the employees can carry out their duties without any harm or discomfort.
The collection of accurate statistics related to water and electricity usage, as well as fuel consumption for generators	<p>We have encountered problems with the accuracy of the data we receive, as bill statements from municipalities and landlords often present information in different ways, making it difficult to compare and determine which is more accurate.</p> <p>Moreover, some branches have not received municipal bills in certain months, which creates gaps in our analysis and makes it challenging to gain a comprehensive understanding of our energy usage.</p> <p>We are nevertheless actively exploring solutions to establish consistent formatting for bill statements and exploring alternative data sources to supplement missing information.</p> <p>By addressing these challenges and improving our data collection methods, we can make more informed decisions and achieve our environmental goals effectively.</p>


The SHE risks we faced in FY2024

During the year under review, the SHE risk landscape has continued to evolve. Our identification of risks provides us also with the opportunity to mitigate them in ways that are beneficial not only to our employees, but to the sustainability of our business.

Risk	What it means for our business
Compliance with evolving standards	With the continuous update of international standards such as ISO, as well as applicable legislation, we remain vigilant in our efforts to ensure compliance with the latest iterations of effective SHE risks management
Adaptation to technological advances and new businesses	As new technologies and new businesses such as Fidelity SecureFire are incorporated into the workplace, they bring new risks that need to be assessed and managed under the SHE framework
Environmental sustainability	Increasing emphasis on environmental sustainability and climate change impacts has brought new environmental risks to the forefront, requiring the Group to adapt SHE strategies accordingly
Mental health and wellbeing	The recognition of mental health as a critical component of employee wellbeing has become more pronounced, leading to its inclusion as a priority risk in SHE management

Injuries on duty (IODs) and fatalities

There was a decrease in both IODs and fatalities during the year under review. It has been gratifying to be able to note this decrease, given the worsening economic climate and the increase in attacks on our employees.

 For more on the environment in which we operate, and our CIT and guarding operations, see page 30 and our Integrated Report respectively.

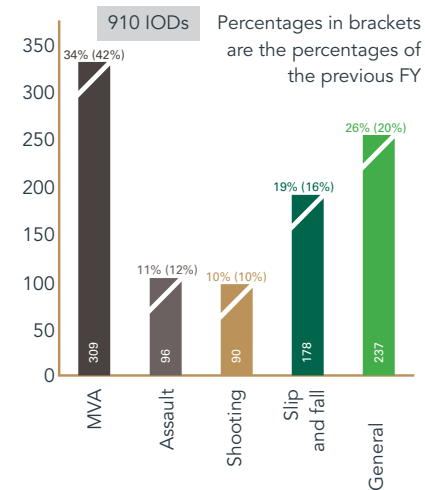
Nevertheless, we remain concerned about IOD occurrence in our business. We recognise the importance of ensuring a safe working environment for our employees and will continue to prioritise their well-being.



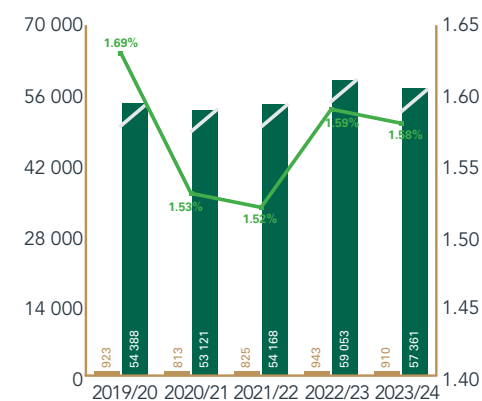
Our approach to social sustainability (continued)

Safety, Health, Environment (SHE) (continued) Injuries on duty (IODs) and fatalities (continued)

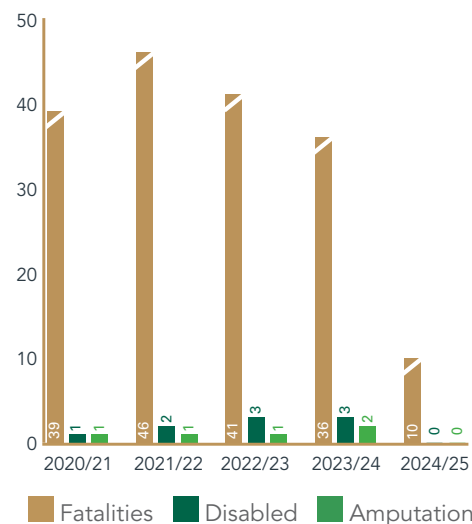
IOD – Types and incidence



IODs since 2019



Fatalities decreased from 41 in FY2023 to 36 in the year under review



SHE initiatives – FY2024

During the year under review, we have made significant investments and innovations in workplace safety over the past year. These include:

SOLAR PROJECT INSTALLATION AT THREE SITES

ONSITE SHE SPECIALIST VISITS

Supporting employee health and wellness

We held numerous wellness days at various branches throughout the year under review as well as weekly health toolbox talks. Through Affinity Health and Discovery Health, respectively our medical aid and medical insurance providers we undertook campaigns to:

- Share health tips weekly
- Prioritise mental health and counselling programmes and make them available for all employees
- Promote the activities of the Fidelity Cares Foundation

Policies and procedures

Over the course of a three-year review process, a thorough evaluation of our policies and procedures was conducted. While no new policies were introduced, the existing ones were scrutinised to ensure their effectiveness, relevance, and alignment with the organisation's objectives. The aim of the review was to identify any gaps or areas for improvement and ensure that all our policies and procedures remain comprehensive, up-to-date, and consistent with industry best-practice.

ISO certification

We remain committed to ensuring the well-being of our employees, our communities and our environment by effectively maintaining the ISO certifications for our presently certified sites.

Looking ahead

In the short term we will be focusing on:

- Significantly reducing the number of motor vehicle accidents, and bringing down the incidence of injuries by a substantial 11%. By prioritising safety and accident prevention, we aim to ensure the well-being of our employees while also maintaining our reputation as a responsible and societally reliable organisation.
- Ensuring that we maintain our ISO 45001:2018 and ISO 14001:2015 certifications, as well extending the certification scope to four new sites.

For the short to medium term we have set several objectives to ensure sustainable operations and reduce our environmental impact. One of these objectives is to reduce our carbon footprint by 5,000 tonnes, which will involve implementing several measures to reduce greenhouse gas emissions across our operations.

In the medium term, an important objective will be to establish an effective waste management system that ensures proper handling, disposal, and recycling of all waste generated by our organisation. This will help us minimise our impact on the environment and reduce our overall waste generation.

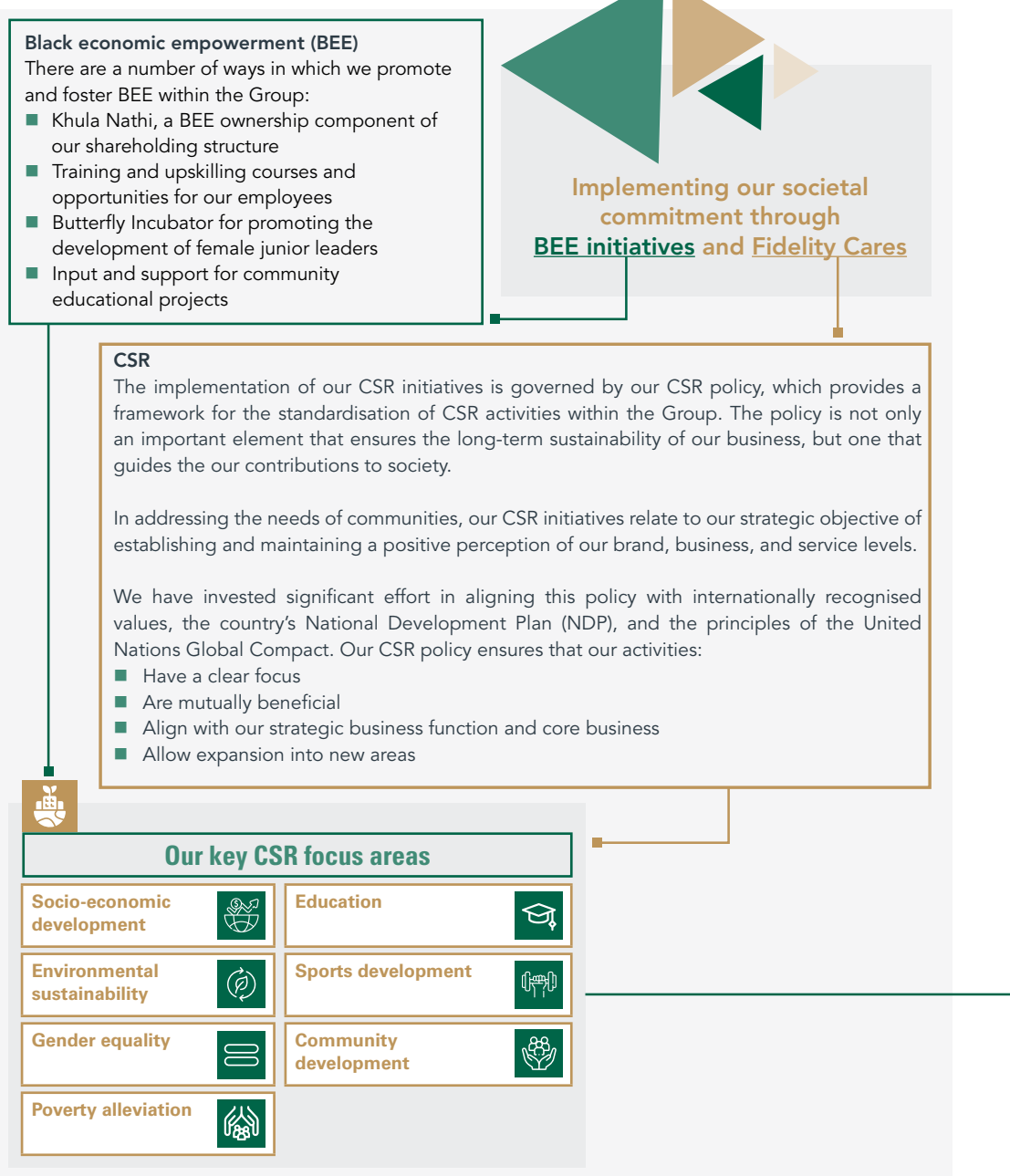
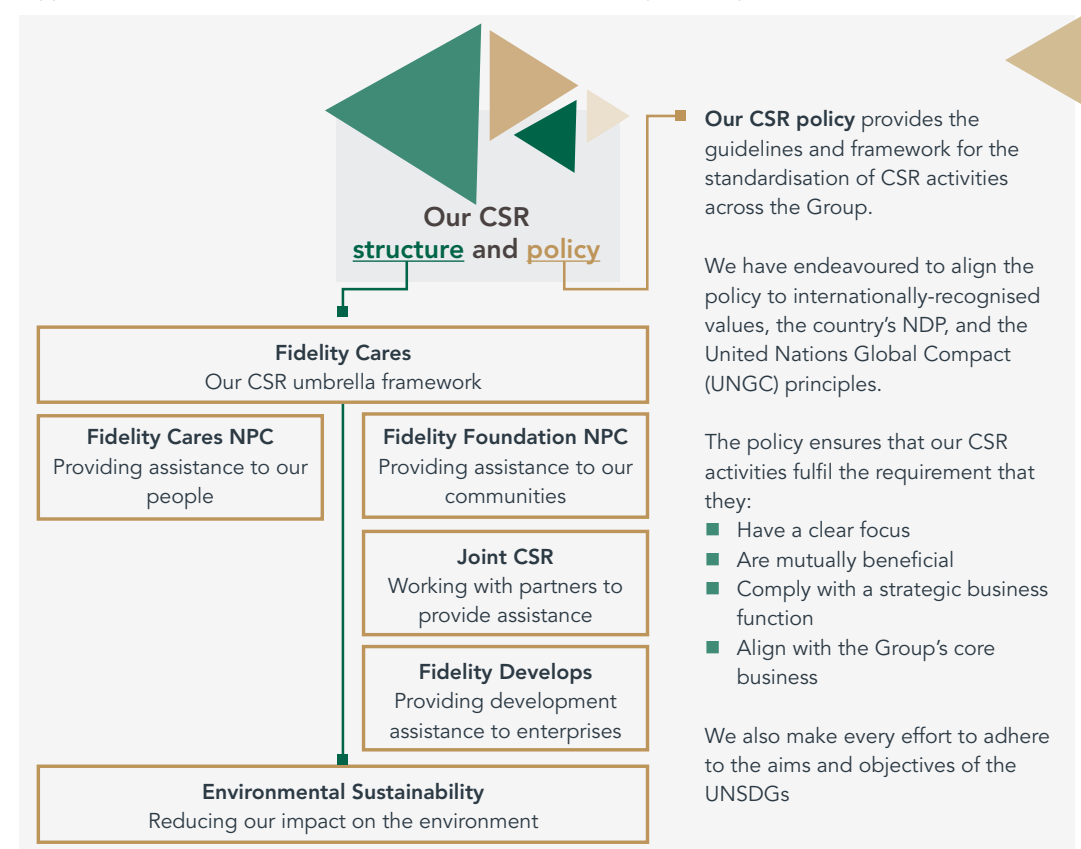
In addition, we will remain committed to effective contractor and supplier management with a focus on SHE concerns. By working closely with our contractors and suppliers, we aim to ensure that they share our commitment to sustainability and are taking steps to minimise their own impact on the environment while also promoting the safety and well-being of their employees.

Our approach to social sustainability (continued)

Supporting the community – Fidelity Cares

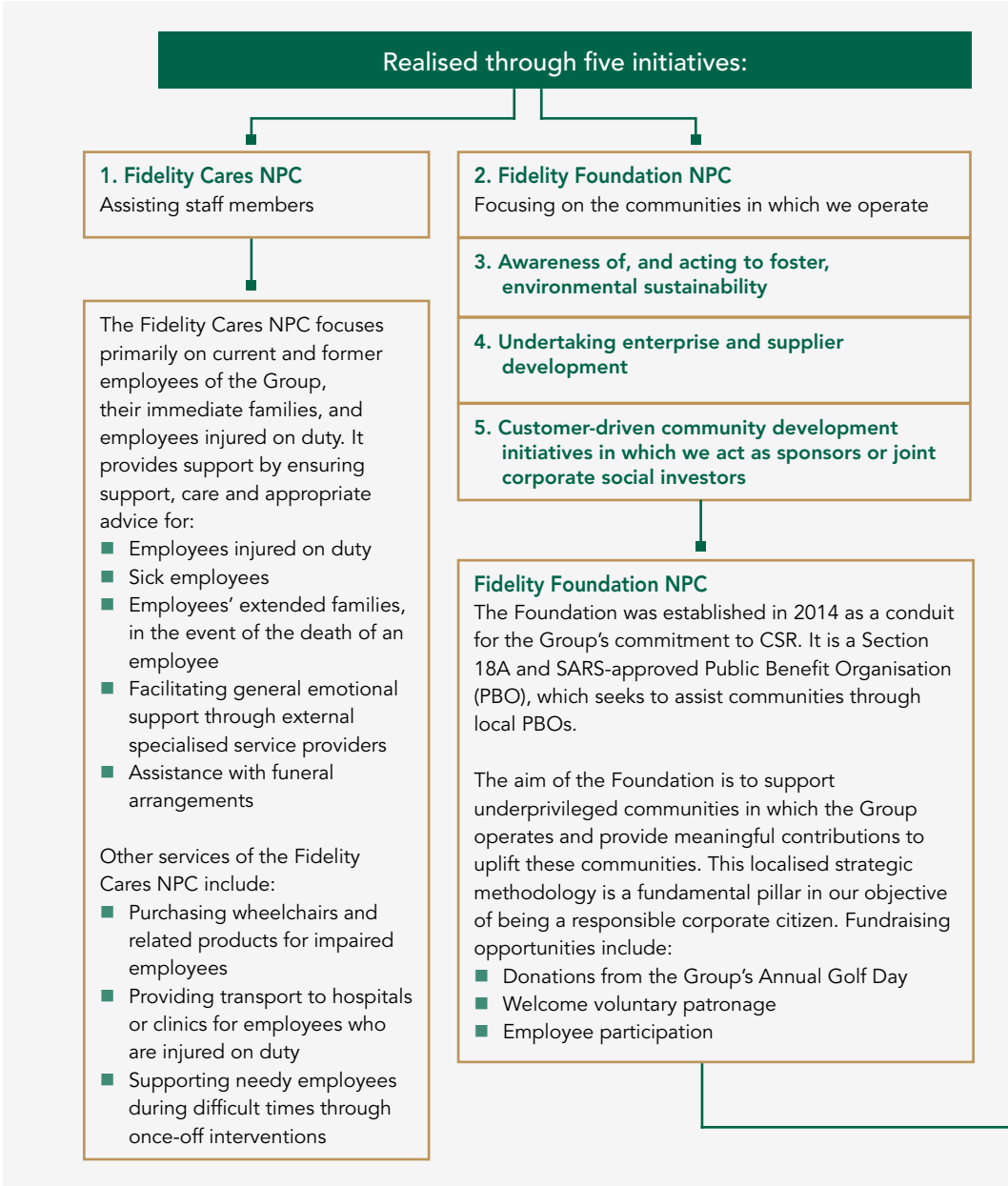
As part of our consciousness of the centrality of sustainability, we acknowledge and understand our responsibilities regarding the communities within which we operate, and the potential we possess to assist not only with safety and security issues, but with general economic upliftment through sustainable and inclusive supply, support for education and environmental awareness.

To this end, in implementing our corporate social responsibility (CSR) programmes, and with a view to fostering and maintaining positive relationships, and assisting with proactive initiatives, we work with local bodies such as municipalities, ratepayer associations and charitable organisations, as well as through the Fidelity Foundation, which partners with local public benefit organisations familiar with the needs of their communities, to provide support in various community-based economic, educational and upliftment projects.



Our approach to social sustainability (continued)

Supporting the community – Fidelity Cares (continued)



Fidelity Foundation NPC (continued)

The three Foundation pillars:

- Quality education aimed at benefitting youth
- Gender equality, focusing on empowerment of previously disadvantaged women through skills development and sustainable projects
- Poverty alleviation focusing on historically disadvantaged groups such as vulnerable children and people with disabilities

The projects undertaken by the Foundation are facilitated through various beneficiaries, including:

Beneficiary	What it provides	Where it is
Pioneer School	Support for visually impaired children	Worcester
Bethany House	Support for vulnerable children	Krugersdorp
Oliver's Village	Tuition and guidance for matriculants studying maths and science	Durban
The Love Trust	Teacher training in Early Childhood Development	Tembisa
Thandulwazi Trust	Tuition and support for disadvantaged learners around Johannesburg	St Stithian's School, Johannesburg and Limpopo
CMR Middelburg	Support for vulnerable children	Mpumalanga

Our approach to social sustainability (continued)

Supporting the community – Fidelity Cares (continued)

Fidelity Foundation NPC

The Fidelity Foundation was established in 2014 as a conduit for the Group’s commitment to CSR. It is a Section 18A and SARS-approved Public Benefit Organisation (PBO), which seeks to assist communities through local PBOs.

The aim of the Foundation is to support underprivileged communities in which the Group operates and provide meaningful contributions to uplift these communities. This localised strategic methodology is a fundamental pillar in our objective of being a responsible corporate citizen. Fundraising opportunities include:

- Donations from the Group’s Annual Golf Day
- Welcome voluntary patronage
- Employee participation

Our three Foundation pillars:

- Quality education aimed at benefitting youth
- Gender equality, focusing on empowerment of previously disadvantaged women through skills development and sustainable projects
- Poverty alleviation focusing on historically disadvantaged groups such as vulnerable children and people with disabilities

The projects undertaken by the Foundation are facilitated through various beneficiaries.

Our CSI initiatives – FY2024

Beneficiary	What it provides	Where it is
Pioneer School	Support for visually impaired children	Worcester
Bethany House	Support for vulnerable children	Krugersdorp
Oliver’s Village	Tuition and guidance for matriculants studying maths and science	Durban
The Love Trust	Teacher training in Early Childhood Development	Tembisa
Thandulwazi Trust	Tuition and support for disadvantaged learners around Johannesburg	St Stithian’s School, Johannesburg
CMR Middelburg	Support for vulnerable children	Mpumalanga

Looking ahead

It will remain part of our strategic CSI intent in the medium- to long-term to continue to expand our footprint through ongoing partnerships with local PBOs in all the provinces in which we operate.





Our approach to environmental responsibility



Our approach to environmental responsibility

Responsible management of the environment is integral to our aims of achieving a sustainable and resilient business. Because we recognise that our operations have a direct and indirect impact on the environment, we understand the importance of having in place an environmental policy to accomplish our environmental goals relating to greenhouse gas, energy, water, and waste management system.

Over the past twelve years, we have implemented various strategies to limit our impact on the environment. As a responsible corporate citizen, we view sustainability as primarily meeting the basic needs of people today, without diminishing possibilities and opportunities for future generations. We understand that by following the essence of this principle, we can continue towards the conservation of our natural resources, while at the same time minimising our impact on the environment and growing our business.

Most of the initiatives we have undertaken have been net-zero cost implementations or a shift in purchasing from conventional products and services to eco alternatives, with an opportunity to incur savings against the bottom line on a sustainable basis.

Environmental performance FY2024 – A snapshot

	Recycled	
Electronic Waste (P12)	1 007 kg FY2024	
Natural Waste (P12)	54 tons FY2024	
Used Oil Recycled (P12)	6 130 litres FY2024	
	Actual	Target
Environmental Incidents (P12)	0 FY2024	0 FY2024
	Output	
Renewable Energy (P12) Solar generation	188 266 kW/h FY2024	

Monthly Comparisons

Energy-use Efficiency

Kilowatt hours used

Water-use Efficiency

Kilolitres used

Annual Carbon Emissions Saved (P12)

Tonnes of CO2e

Carbon offsetting

In addition, we have invested in several carbon offsetting and cost-saving strategies. As a certified platinum member of the Greenpath Initiative, we continue to grow, measure, and monitor these initiatives on an ongoing basis. We are acutely aware of our carbon footprint, and it is this awareness that underpins our establishment of compliance targets and associated business decisions.

Alternative energy sources

Our climate and energy activities are currently focused on, and designed to reduce, our impact on the environment. We have put a strategy in place whose aim is to increase renewable energy use at our operational sites through the installation of photovoltaic (PV) and solar panels. We are also increasingly switching to using alternative vehicle fuels, such as liquefied or compressed natural gas, wherever this is viable.

Climate change threats

We recognise that with time, we are likely to see increased adverse weather such as droughts, tropical storms and flooding with concomitant intensifying of pressure on Group resources. This pressure may arise from property damage, at command centres for instance, or from spikes in demand for our services, such as flood assistance or resource protection.

Tree planting

As part of our efforts to conserve our environmental resources, we continued our programme of tree planting within communities, with

- A total of 1 600 trees planted to date
- Our target of 600 trees for FY2024 attained

Our approach to environmental responsibility (continued)

Environmental performance FY2024 – A snapshot (continued)

Our absolute contraction approach

We have adopted an absolute contraction approach as a one-size-fits-all methodology that ensures that realistic targets are set that deliver absolute emission reductions in line with global decarbonisation pathways projects. We view this as crucial in tracking our progress.

The largest contributions to reducing our total carbon usage and offset are:

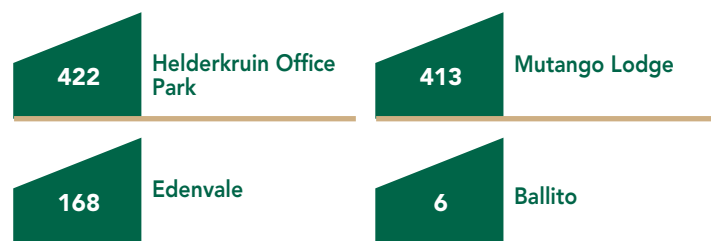
- Economical energy/electricity usage
- Solar power utilisation
- Liquefied/compressed natural gas conversion for fleet and/or electric fleet
- LED lighting retrofit
- Vehicle wheel alignments

Under the absolute contraction method all carbon reductions are considered, regardless of the mitigation methods implemented.

Alternative energy implementation

In realising our strategic commitment to seeking alternative energy sources, we have installed:

- 1 149 solar panels at key locations over the last eight years to reduce dependence on conventional electricity, including:



In addition, we are targeting our Parow and Midrand Ulwazi sites for installations in FY2025, having postponed these from FY2024.

ESG benchmarking and targets

In June 2022, a GAP analysis was compiled by GSX Consulting services which benchmarked Fidelity against competitors. This analysis facilitated the process for the Group to set appropriate targets from an ESG perspective. The following table sets out the targets and key metrics monitored from an ESG perspective:

Our GHG emissions and carbon offset strategic objectives and targets FY2025-FY2027

Objective	Measurable					
Annual carbon offset	Reduced GHG emissions and science-based carbon offset target (calculated on total annual emissions of 90 486 Tons Co ₂ e)					
2021 Actual	2022 Actual	2023 Actual	2024 YTD	2025 Target	2026 Target	2027 Target
3.4%	4.8%	5.5%	6.8%	7.7%	8.8%	9.9%
3 104.550 Tons Co ₂ e	4 320.390 Tons Co ₂ e	5 006.533 Tons Co ₂ e	6 193.867 Tons Co ₂ e	7 000.000 Tons Co ₂ e	8 000.000 Tons Co ₂ e	9 000.000 Tons Co ₂ e

Objective	Measurable					
Annual carbon offset	Reported/Projected annual emissions*					
2021 Actual	2022 Actual	2023 Actual	2024 YTD	2025 Target	2026 Target	2027 Target
77 532 Tons	90 325 Tons	102 950 Tons	108 323 Tons	119 155 Tons	131 071 Tons	144 178 Tons

Objective	Measurable					
Annual carbon offset	Carbon offset achieved (based on reported/ estimated annual emissions)					
2021 Actual	2022 Actual	2023 Actual	2024 YTD	2025 Target	2026 Target	2027 Target
4.0%	4.8%	4.9%	5.7%	5.9%	6.1%	6.2%

Objective	Measurable					
Gas vehicle conversion	Target number of vehicles converted to LPG					
2021 Actual	2022 Actual	2023 Actual	2024 YTD	2025 Target	2026 Target	2027 Target
0	20	63	24	100	100	100

* Annual emissions for FY2024 and subsequent periods are finance-based projections, as influenced by the Group's current carbon offset initiatives

Our approach to environmental responsibility (continued)

ESG benchmarking and targets (continued)

Total GHG emissions – FY2024

Scope	Source Category	2022/2023 Tonnes CO ₂ e	2023/2024 Tonnes CO ₂ e
Scope 1	Mobile Fuels: Company-owned Vehicles Diesel & Petrol Combined	79 007.92	69 300.44
	Stationary Fuels - Generators Diesel & Petrol Combined	741.49	971.14
	A1 Jet Fuel-Helicopters	627.00	30.32
	AV GAS (AV Spirit)	501.00	2.57
	CNG Gas-Mobile Fuel Vehicles	67.56	721.24
	Product Use: Refrigerant Gas (Kyoto Gases)	-	-
Sub-Total: Scope 1		79 816.97	71 025.71
Scope 2	Purchased Electricity-Location Based	21 593.61	32 403.86
Total: Scope 1 & 2		98 885.48	103 429.57
Scope 3	Purchased Goods & Services: Water	73.58	23.16
	Business Travel	336.59	678.67
Sub-Total: Scope 3		427.47	701.83
Total Scope 1, 2 & 3		99 312.95	104 131.40
Out of Scopes	Product Use: Refrigerant Gas (Non-Kyoto Gases)	0.00	0.00
TOTAL MEASURED EMISSIONS		99 312.95	104 131.40

Looking ahead

We have developed a good understanding of our energy and greenhouse gas (GHG) exposure. Initiatives such as installing renewable energy systems at various key locations and converting diesel vehicle to compressed natural gas are well established. We report our GHG emissions and have recently embarked on disclosure through the Carbon Disclosure Project (CDP).

We recognise that Our GHG exposure is dominated by overall by our vehicle fleet, and in particular, by our diesel fleet. Moreover, we understand that continued reduction in fleet GHG emissions is dependent upon on available alternatives, as well as changes in vehicle efficiencies.

In the short to medium term, we will continue to pursue the integration of all our departments to attain efficiency and robustness. Because we recognise that it is imperative to be conscious of ESG across the Group, we have developed an ESG Compliance Matrix that frames our methodology on the ways in which we choose to reach our ESG goals.

We will continue to implement this plan by setting interviews with department heads to gain an in-depth understanding and draw up a road map for goals, targets, measures and plans to enable us to respond our ESG Strategy for 2050, which expands on our core vision.



Our approach to ethical governance



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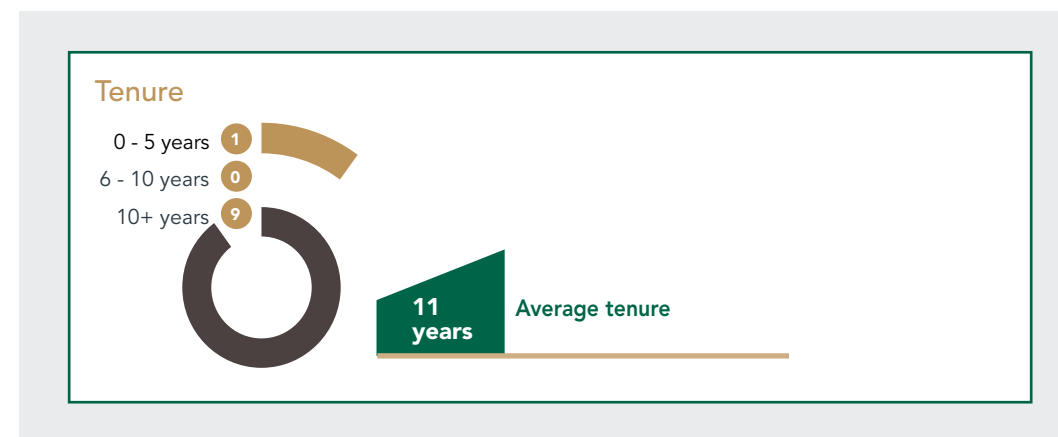
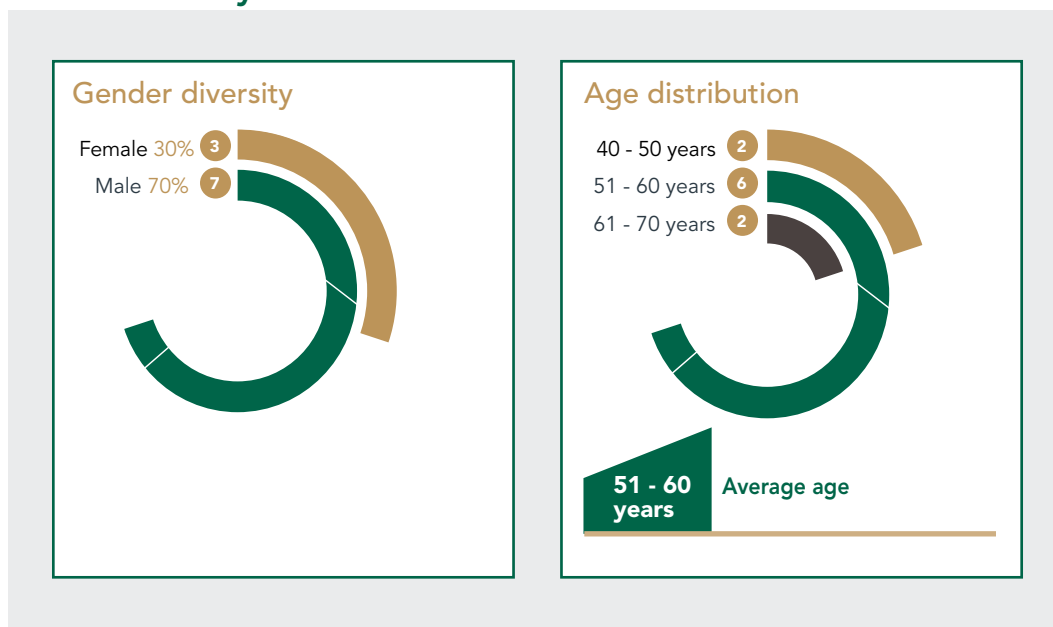
Our approach to ethical governance

Fidelity Services Group is committed to rigorous, transparent and compliant governance structures, policies and procedures. Adherence to this commitment ensures that the way in which we create and deliver value to all our stakeholders is secured, and founded on all pertinent and accepted governance frameworks, adding value to the realisation of our strategy, while taking into account the risks we face.

Our Board

The Group has a unitary Board of Directors which takes overall responsibility for its success. The role of the Board is to exercise leadership and sound judgement in steering the Group to achieve sustainable growth and maintain good relationships with our stakeholders.

Board diversity



Our Board comprises six Non-Executive, two Independent Non-Executive and two Executive Directors. Six of the Non-Executive Directors represent shareholders, with shareholders entitled to appoint one Director for every 7.5% of shares held in the holding company in terms of the Shareholders' Agreement.

There is a clear division of responsibilities at Board level to ensure a balance of power and authority, and no one individual has unfettered powers of decision-making. The Board is responsible for directing and controlling strategy and activities, and for providing leadership and guidance to executive management in terms of a framework which delegates authority to the Group Chief Executive Officer.

The Board has a framework which, among other things, sets out its roles and responsibilities in areas such as ethical leadership, strategy, financial management, risk management, compliance, sustainability and governance in general. Important elements of good governance that are also covered, include the role of the Chairman and the Group Chief Executive Officer, the focus on stakeholder relationships, the implementation of a proper delegation of authority and the composition and evaluation of the Board and its various committees. Non-Executive Directors complement the skills of the Executive Directors and provide an independent view of the decision-making process. They assess business plans, performance, resources, transformation, diversity, employment equity and standards of conduct. They also assist in determining strategy formulation and decision-making.

As Fidelity Services Group is a privately-held Group, the Shareholders' Agreement signed on 17 February 2012 governs the activities of the unitary Board structure. There is no committee in place for the nomination of Directors, and there is no formal rotation of Directors.

All Directors are appointed in terms of the Shareholders' Agreement, and shareholders are satisfied that the Board has the diversity of skills, acumen and experience to properly fulfil its responsibilities.

Transparency

Our governance framework provides an adequate, transparent organisational structure with a clear allocation and appropriate segregation of responsibilities. The roles and responsibilities of those accountable for the management and oversight of the Group are clearly defined.

Our approach to ethical governance (continued)

Transparency (continued)

Compliance with legislation has received ongoing attention during the year under review and will continue to do so in future.

While the Fidelity Services Group is governed by the Group's Board of Directors, various wholly-owned and partially-owned subsidiaries have their own boards of Directors. The Group Chief Executive Officer and the Group Financial Director, who are both executive members of the Board, also act as Directors on the various subsidiary boards.

An appropriate system of delegation is in place, in terms of which the direction of the operations of the Group has been delegated to the Board. The Board has, in turn, delegated some of the activities and tasks associated with its role and responsibilities to Board committees, the senior executive committee, senior management and other employees of the Group.

Activities

All Directors have direct access to the services of the Group Company Secretary who advises them on all matters pertaining to the Board. This includes Board procedures, information flows and compliance with the Shareholders' Agreement and the Memorandum of Incorporation.

The minutes of the main Board, subsidiary Boards and Board committee meetings are produced and maintained by the Group Company Secretary. Comprehensive Board papers are provided to the Directors in advance of each meeting through the Group Company Secretary or the Group Financial Director, as appropriate. Members of the Board have access to independent professional advice at the Group's expense, as deemed necessary, to discharge their responsibilities as Directors.

The Chairman's key responsibility is to provide leadership, to oversee the setting of strategy and to promote effective communication among all the Directors. The Group Chief Executive Officer has the overall responsibility for managing the Group's business and its operations in line with policies and strategic objectives, as agreed with the Board.

The Group Chief Executive Officer reports on the Group's performance and other material matters through monthly reports to the Board and at Board meetings. The Group Chief Executive Officer or the Group Financial Director may present additional papers on issues which the Board could require, and senior management can attend Board meetings by invitation to present and deal with matters, as the Board may deem appropriate.

Board charter

Although there is no formal Board charter in place, the Board acknowledges the principles recommended in King IV, and functions in accordance with the Shareholders' Agreement signed on 17 February 2012.

Internal control environment

The Board has overall responsibility for the Group's system of internal control and is accountable for reviewing its effectiveness. As these systems are designed to manage risk rather than eliminate them entirely, they can only provide reasonable, and not absolute, assurance against misstatement or loss. The Board recognises the need to monitor and evaluate these systems in line with best practice.

The requirement for oversight, establishment and implementation in this regard is delegated to executive management.

Key sustainability areas of Board oversight

Our sound business principles and practices foster an innovative and collaborative culture, which is committed to ethical behaviour, accountability, and transparency. Bribery and corruption are among the biggest issues within the scope of governance. Risks, and perceived risks, of bribery and corruption can undermine trust in an entity, as can perceptions that its processes and systems are not sufficiently robust to prevent these scourges.

Cyber-threats

When the vast amount of personal, confidential, and business-critical information at risk across a variety of platforms is considered, the need for more robust cybersecurity and data privacy infrastructure by any business, is intensified. The consequences of failing to protect data can range from a devastating loss of assets, and an erosion of trust between the organisation and its customers, tenants, employees, and third parties, to irreparable harm to the organisation's reputation, brand, and bottom line.

Cyber-attacks can compromise customer information, operational systems, and sensitive business data such as financial data, supplier details and intellectual property. Our Group leadership understands this and is focusing efforts on developing a clear strategy to safeguard this most valuable commodity in a knowledge-based economy.

Strengthening and enhancing of governance processes

In addition to the newly formed Digital, Innovation and Governance Committee, Group policies are regularly analysed by Executive Management and the Board sub-committees. In accordance with this, the Group introduced a Transformation Policy in November 2023 and subsequently developed a Transformation Charter in March 2024.

Securing a sustainable supply chain

We remain committed to reducing its impact on the planet's resources and protecting human rights through securing a sustainable supply chain. This is made possible by integrating social, ethical, and environmental performance factors into the process of selecting suppliers. To this end, we have embarked on a journey to enhance its sustainable responsible sourcing policy through increased performance requirements and reviews of our suppliers.

Internal audit reviews

BSI and quality assurance internal audit reviews were performed during FY2024 with improvement to policies and procedures compliance and ultimately to ISO 9001: 2015 requirements, thereby reducing the risk to loss of, or failure to maintain, ISO certification. Recent internal and external audits indicate that controls implemented are effective and adequate.

Conflicts of interest and interests in contracts

Directors are required to inform the Board timeously of conflicts or potential conflicts of interest that they may have in relation to particular items of business and are obliged to recuse themselves from discussion or decisions relating to such matters. Directors are also required to disclose shareholdings in other companies as well as their other Directorships at least annually and to inform the Board when changes occur.

Our approach to ethical governance (continued)

Governance of our ESG activities

Each of the two pillars of our ESG-related activities is governed by a separate, independent board.

Fidelity Cares NPC Board

Pamela Mogotlane (Chair)

Wahl Bartmann

Tshidi Madima

Nonhlanhla Ndwandwe

Joe Nalane resigned as alternate to Tshidi Madima on 5 October 2023

Alternates: Shaun Maharaj, Nelson Mwale, Patrick Zondo

Invitees: Rodney Kekana, Douglas Schultz, Sherika Thulsie, Priscilla van der Spuy, Kathleen Vundla, Brenda Talane

Fidelity Foundation NPC Board

Tshidi Madima (Chair)

Wahl Bartmann

Nelson Mwale

Nonhlanhla Ndwandwe

Joe Nalane resigned as alternate to Tshidi Madima on 5 October 2023

Alternates: Shaun Maharaj, Pamela Mogotlane, Patrick Zondo

Invitees: Ruth Brouwer, Rodney Kekana, Malcolm Stephens, Brenda Talane, Sherika Thulsie

Our Board committees

The Board has established several permanent standing Board committees with specific responsibilities to assist the Board in discharging its duties:

- Finance Committee
- Group Remuneration Committee (Remco)
- Transformation, Social and Ethics Committee (TSEC)
- Risk and Opportunities Committee
- Acquisition and Investments Committee

The responsibilities of these committees are defined in terms of their respective charters as approved by the Board. There is full disclosure, transparency and reporting from the standing committees to the Board at each quarterly Board meeting.

Ultimate governance responsibility resides at all times with the Board. The Board does not abdicate this responsibility to the committees and exercises its oversight responsibility accordingly.

Finance Committee

Members

Stephen Brown (Chair)

Wahl Bartmann

Kerry Human

Shadrack Khumalo

Tshidi Madima

Shaun Maharaj

Pamela Mogotlane

External Auditors:

Pieter Pelcher (PWC partner), Rianthe Moodley (Fidelity ADT partner)

Invitees:

Brighton Dube, Mashood Dawood, Willie Lindeque, Mbuso Mabanga, Sandile Ntombela

Role

To assist the Board in fulfilling its oversight responsibilities with regard to the Group's financial reporting process, its system of internal controls, the audit process, the Group's process for monitoring compliance with laws and regulations and its code of conduct.

Responsibility

The committee fulfils a pivotal role in corporate governance. It ensures that the integrity of reporting and that the standards of internal financial controls are maintained at appropriate levels. The committee met four times during the year under review.

Our approach to ethical governance (continued)

Our Board committees (continued) Finance Committee (continued)

Focus areas and considerations for FY2024	Focus areas for FY2025
<ul style="list-style-type: none"> Review of debt restructuring was implemented during March 2023 Impairment considerations relating to goodwill and dealer contract intangibles were reviewed Continued implementation of combined assurance review policies with review of top 30 risks being performed The IT environment was tested including procuring an Internal Network Penetration Testing Report from an external reviewer, review of SAP IT General Controls and SQL Server controls Various adhoc internal audits and investigations, including investigations of identity theft and property theft and fraud, attendance of cash counts at branches, review of conflict of interests and scanning of firearms Performance of various quality assurance audits and implementation and approval of various ISO accreditations including ISO 9001 and ISO 27001, as well as upgrading to additional ISO accreditations Review of SARS audits including PAYE, VAT, ETI and TERS Review of Workmen's Compensation audits Review of CFO financial forum minutes of meetings carried out during the year Dividend payment calculations were reviewed against the Dividend Policy and necessary adjustments were made Reviews of tax returns, ESG and Learnership Claims were performed Review of Project Transformer progress. Control self-assessments were undertaken amongst the various CSA departments and divisions to review their business and strategy objectives and to utilise risk technology IFRS17 - accounting for the cell captive for life insurance policies. Management will perform an assessment for how the new standard will affect the Group Reconciliation of Umsuka Wemali trade receivables balances. 	<ul style="list-style-type: none"> Continued enhancement of the audit function Investigate the possibility of additional reliance on SAP system for future audits External audit procedures over data migration from ADT's Listener software to Project Transformer before it goes 'live' during the year Continued deliberations regarding SAP4 HANA update for the next financial year. This three-four year journey commences with a SAP 4 HANA gap analysis Continued investigations into Automation/AI within the business which is top on the agenda for all CFO's in the business.

Group Remuneration Committee (Remco)

Members

Robert Dickerson (Chair)
Wahl Bartmann
Stephen Brown
Kerry Human
Shadrack Khumalo
Nelson Mwale

Invitees: Jaco Bezuidenhout, Shaun Maharaj

Role

To assist the Board in the consideration of, and by making recommendations to the Board, in respect of salaries, incentive bonuses and share allocations.

Responsibility

The Remuneration Committee considers the level of salary and the principles of any variable element of packages and other aspects of the remuneration packages as applicable, with all targets set for executives being budget-, target- and/or KPI-based and related to achievement. All such targets are objectively monitored and measured, with due consideration given to not rewarding and measuring the taking of excessive risk by Executive Directors and executives.

The committee met four times during the year under review.

Focus areas and considerations for FY2024	Focus areas for FY2025
<ul style="list-style-type: none"> Succession planning for senior executives Development and mentoring of EE candidates in order for them to progress into more senior roles. 	<ul style="list-style-type: none"> Continued development of the executive management team Continued development of the EE candidates.



Our approach to ethical governance (continued)

Our Board committees (continued)

Transformation, Social and Ethics Committee (TSEC)

Members

Tshidi Madima (Chair)
 Wahl Bartmann
 Shaun Maharaj
 Pamela Mogotlane
 Joe Nalane (resigned 5 October 2023)

Role

The TSEC is a sub-committee that acts in terms of the delegated authority of the Board, and it assists the Board in monitoring the Group's activities relating to ethics, employment equity, training, talent and skills development, preferential procurement, enterprise development, diversity, socio-economic development, environmental sustainability and engaging with stakeholders.

Responsibility

The Transformation, Social and Ethics Committee (TSEC) is a sub-committee that acts in terms of the delegated authority of the Board, and it assists the Board in monitoring the Group's activities relating to ethics, employment equity, training, talent and skills development, preferential procurement, enterprise development, diversity, socio-economic development, environmental sustainability and engaging with stakeholders.

Focus areas and considerations for FY2024	Focus areas for FY2025
<ul style="list-style-type: none"> Training and Skills Development Enhancing EE initiatives Support Code of Good Practice on Elimination of Harassment and Unfair Discrimination in the Workplace Ensuring ESG compliance Improve B-BBEE Procurement Spent on women businesses Maintain the Group's B-BBEE status Ensure Transformation Policy adoption at all levels Ensuring implementation of EVP, employee wellness and employee benefits initiatives. 	<ul style="list-style-type: none"> Continued enhancement of EE initiatives Continued training and skills development Ensuring ESG compliance Continued improvement on procuring from women owned businesses Improve on the Groups B-BBEE status Continued support of the Code of Good Practice on elimination of harassment and unfair discrimination in the workplace.

Risk and Opportunities Committee

Members

Shadrack Khumalo (Chair)
 Wahl Bartmann
 Shaun Maharaj
 Tshidi Madima
 Nelson Mwale
 Joe Nalane (resigned 5 October 2023)

Invitees:

Brighton Dube, Leon Bartmann, Jaco Bezuidenhout, Lisa Cox, Vasco De Sousa, Morne du Toit, Renier Erwee, Eugene Fowlds, Arthur Gibson, David Jacobs, Immanuel Jamieson, Willie Lindeque, Mbuso Mabanga, Niren Mahabeer, Avi Mohanlal, Sandile Ntombela, Ansie Oost, Chantal Parkin, Ellen Janeke, Malcolm Stephens, Leanie van der Walt, Diedrich van As, Jannie Wentzel, Carel Wessels

Role

To review and assess the integrity of the Group's risk management process, including safety, health, environmental and sustainability matters.

Responsibility

To address the Group's exposure to strategic, reputational, financial, operational, regulatory, legal and IT risks. The committee met five times during the year under review.

Focus areas and considerations for FY2024	Focus areas for FY2025
<ul style="list-style-type: none"> Effectiveness of the Group's internal financial controls and systems of internal control and risk management Compliance with legal and regulatory requirements to the extent that might have an impact to the Group Monitored emerging risks A new Sub-Committee (Digital and Innovation Governance Committee) of the Risk and Opportunities Committee was adopted during the year to primarily focus on all IT related issues: governance, processes, policies and procedures, innovation, investment and cybersecurity. 	<ul style="list-style-type: none"> Ensuring the effective functioning of the Group's internal financial systems and processes, financial control environment, monitored by an effective combined assurance model Management's response in respect of future changes to legislation and other regulations impacting Group's compliance processes Continue to exercise oversight over the Innovation Governance Committee IT governance and strategy Monitor the cyber environment and the Group's prevention; and defense capabilities from a risk exposure perspective Mitigate top five risks tabled at the annual strategic risk workshop held on 5 February 2024, within the respective risk tolerance or appetite as per the risk appetite statement and achieve the opportunities identified in the past financial year Fraud risk management reporting Business continuity testing and simulation process Reporting on risk mitigations.

Our approach to ethical governance (continued)

Our Board committees (continued) Acquisition and Investments Committee

Members

Kerry Human (Chair)
Wahl Bartmann
Stephen Brown
Robert Dickerson
Shadrack Khumalo
Tshidi Madima
Shaun Maharaj
Pamela Mogotlane
Nelson Mwale
Joe Nalane (resigned 5 October 2023)

Invitees: Pieter Rörich, Yousuf Moolla
Nodus: Gary Bryce-Borthwick

Role

To assist the Board in considering acquisitions, mergers and disposal opportunities, and on weighing acquisition matters generally within broad policies determined by the Board, including assessment of funding structures.

Responsibility

The committee is responsible for affording guidance, when it is sought by management, in seeking acquisitions, mergers and disposal opportunities, and on acquisition matters generally within broad policies determined by the Board, including the assessment of funding structures.

The committee met four times during the year under review.

Focus areas and considerations for FY2024

- During the period under review, the Acquisition and Investments Committee reviewed various acquisition prospects. Notable acquisitions included Alert Canine International, Project and additional contracts from National Security & Fire.
- Several other acquisition opportunities were evaluated including an investment into PHG Group.
- Various capital realisation opportunities for shareholders were explored.

Focus areas for FY2025

- Continued assessment of acquisition opportunities.
- Capital realisation opportunities for shareholders will be further explored.
- Further enhancement of the Group's capital and shareholding structure.

Remuneration

Remuneration packages for the two executives serving as Directors on the holding and subsidiary company boards, and who are defined as senior executive committee members (Senior Exco) is determined by the Remuneration Committee. The deliberations of this committee are substantially influenced by independent third-party consultants and remuneration surveys.

All targets set are for executives' or KPI-based and are related to achievement. All such targets are objectively monitored and measured, with due consideration given to not rewarding and measuring the taking of excessive risk by Executive Directors and executives.

All shareholders are fully briefed on the earnings of all the Directors and executive management, and hence no further disclosure of Directors' earnings is made in this report. No restraint payment commitments, term contracts or any extraordinary obligations were afforded to any of the Directors during the year under review.



Administrative Information

Company registration number	2002/030292/07
Income tax reference number	9361294151
Registered security services provider	PSIRA 993250
Financial Services Board registration number	FSP 46753* FSP 18823**
Registration number for Carbon Disclosure Project (CDP)	CRM:0917054
Registered address and principal place of business	Fidelity Corporate Park 104D Mimosa Road Helderkruijn 1724
Postal address	Private Bag X5 Westgate 1734
External auditors	PricewaterhouseCoopers Inc.
Bankers	Absa Bank Limited First National Bank Limited Nedbank Limited Standard Bank of South Africa Limited
Transaction advisors	Nodus Capital
Website	www.fidelity-services.com
Group Tip-offs Anonymous Hotline	0800 00 22 22
Prepared by	Mr R Erwee
Assisted by	Mrs S Thulsie
Supervised by	Mr M Dawood
Published	25 June 2024

* Fidelity Cash Solutions Proprietary Limited
** Fidelity Risk Proprietary Limited

British Standards International (BSI) Accreditations



- ISO 45001** Occupational Health & Safety #
 - ISO 18788** Security Operations Management Systems
 - ISO 22301** Business Continuity Management
 - ISO 37000** Governance
 - ISO 14001** Environmental Management System
 - ISO 27001** Information Security Management Systems #
 - ISO 9001** Quality Management
 - ISO 26000** Social Responsibility
- # Audit scheduled Q1 (FY2025)