



**THEBE**

INVESTMENT CORPORATION

**Report to our  
Communities 2024**



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# 1

## Purpose of this report

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# Purpose of this report

Thebe Investment Corporation (“Thebe”) is committed to ensuring that our strategy is consistent with and contributes to society’s needs and priorities. We aim to continuously increase the positive social, economic and environmental impacts arising from our business activities and reduce negative impacts. Our inaugural *Report to Communities* forms part of our efforts to demonstrate this commitment.

## Reporting approach

Our *Report to Communities* covers the environmental, social, governance and broader sustainability themes, for the period up to 31 March 2024. Given that this is our inaugural report, we do refer to data and information from prior years where it is available. This report tells our story and describes the progress we have made to achieve our purpose of building communities and creating sustainable value through acquiring and growing businesses.

In selecting information for this report, we communicate the essence of Thebe and its evolution. We have therefore selected topics that will provide the reader with a broad overview of our operations, as well as insights into our business and sustainability strategy. This is, therefore, not a financial report. For reasons of confidentiality, some of the information is redacted or provided in general terms.

The Board, through its Social, Ethics, and Transformation Committee, acknowledges its support for this inaugural *Report to Communities*. Thebe has a series of internal policies, procedures and controls in place to ensure that accurate data is provided. This report accurately represents Thebe’s performance for the period under review, highlighting the sustainability issues in focus during the year.

## Key frameworks

Thebe subscribes to the highest corporate governance standards. In our inaugural *Report to Communities*, we have drawn guidance from various reporting requirements. Ours is a voluntary report and thus, it does not seek fully to comply with those guidelines.

The South African Companies Act, No.71 of 2008, as amended (Companies Act)



King IV Report on Corporate Governance for South Africa 2016™



United Nations (UN) Sustainable Development Goals (SDGs)



Global Reporting Initiative (GRI) Standards





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## Who we are

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Thebe Investment Corporation is a **leading investment company**, renowned for its strategic approach to creating shared value and building communities

## What we value

### HERITAGE

The roots of our existence will always remain as an anchor to guide our decisions and actions.

### BUILDING COMMUNITIES

The Thebe community expands beyond stakeholders and team members. We will always aim to hold previously disadvantaged communities as our primary beneficiaries.

### SUSTAINABLE VALUE

We believe in long-term and continuous value in the form of social and economic upliftment.

### GROWING BUSINESSES

We will develop, acquire, grow, and actively manage businesses as part of the overall value creation proposition; thereby ensuring our investments can achieve their ultimate potential.

Our **purpose** is informed by our heritage, inspired by our mission to build communities, we **create sustainable value**, through acquiring and growing businesses.

Our **ambition** is to expand and manage cash-generative portfolio, consistently delivering a net cash yield of between 3% and 5% by the year 2030.

Our **values** inform our behaviours - they are the foundation of the Thebe spirit and culture.

## Thebe's Purpose, Ambition and Values



### INTEGRITY

To each stakeholder, we are honest, authentic and accountable.



### EXCELLENCE

We are committed to always professionally delivering quality outputs.



### CO BUILDER

We support, celebrate, and look after each other in our shared journey.



### COMMUNITY

We recognise that Thebe and the broader community we serve are extensions of ourselves, and in doing so, actively promote their sustainability and prosperity.



### BOTHO

We have unique perspectives and approaches and are driven by compassion, resilience and respect.



# Thebe Group at a glance

32 years *of heritage*  
 Four core *portfolio pillars*  
 15 investee *companies*



## UNPARALLELED HERITAGE

- Thebe was established in 1992 as a groundbreaking black-owned enterprise. Thebe embarked on its journey with a modest initial capital investment of R100 000.
- Initially owned by the Batho Botho Trust, a community-based trust, Thebe has a profound heritage rooted in community values. The company's story begins with some of South Africa's most visionary leaders – former President Nelson Mandela, Walter Sisulu, and Reverend Beyers Naude, all sitting as Trustees, and Dr. Enos Mabuza as the inaugural Chairperson.
- Together, they conceptualised a company that would be a forerunner of the notion of companies as responsible corporate citizens.

# 50%

**above JSE equity growth achieved consistently over the past five years**

**Dividend yield in line with JSE dividend yield index paid to shareholders**

# R183 million

**contribution to society through the Thebe Foundation in the last 10 years**

**Leading transformation credentials in investment industry and consistently achieve**

# Level 1

**B-BBEE contributor status**



## Thebe Group at a glance continued

### Overview of portfolio

Thebe Investment Corporation has undergone significant evolution over the past two decades. Throughout this period, we have acquired substantial operational businesses and garnered extensive experience, creating a robust foundation for sustainable profits and growth. The diversified

and resilient portfolio provides a natural hedge against economic cycles and shocks as experienced during the Covid pandemic. Our divisions are committed to maximising shareholder value and continuously seek exceptional growth opportunities within their respective sectors. Thebe has a focused investment strategy with scalable pillars and attractive anchor assets boasting established

market positions and financial profiles that target growth opportunities in the Power and Infrastructure, Business Services, as well as the Food and Agriculture sectors. This strategy promises attractive operational performance and compelling growth prospects, driven by an experienced management team, a sustainable business model, and global partnerships.

### Thebe Energy & Resources

### Thebe Food Services

Our investment pillars

#### Petrochemicals

A critical industry in the South African economy with stable financial profile, opportunities to grow our participation across the value chain and supportive long-term macro fundamentals.



SEKELO OIL TRADING

#### Power & Infrastructure

Low-risk, highly cash-generative exposure to creditworthy clients, supported by long-term offtake agreements, generating attractive internal rates of return.



##### Renewable energy



##### Infrastructure



#### Business Services

High-return, moderate cash yield industry with significant opportunities to develop an empowered and diversified business services platform that creates significant employment.



#### Food, Agroprocessing & Agriculture

Enhancing South Africa's food security by investing in secondary agriculture and processing, thereby strengthening the agricultural value chain and boosting local food production.



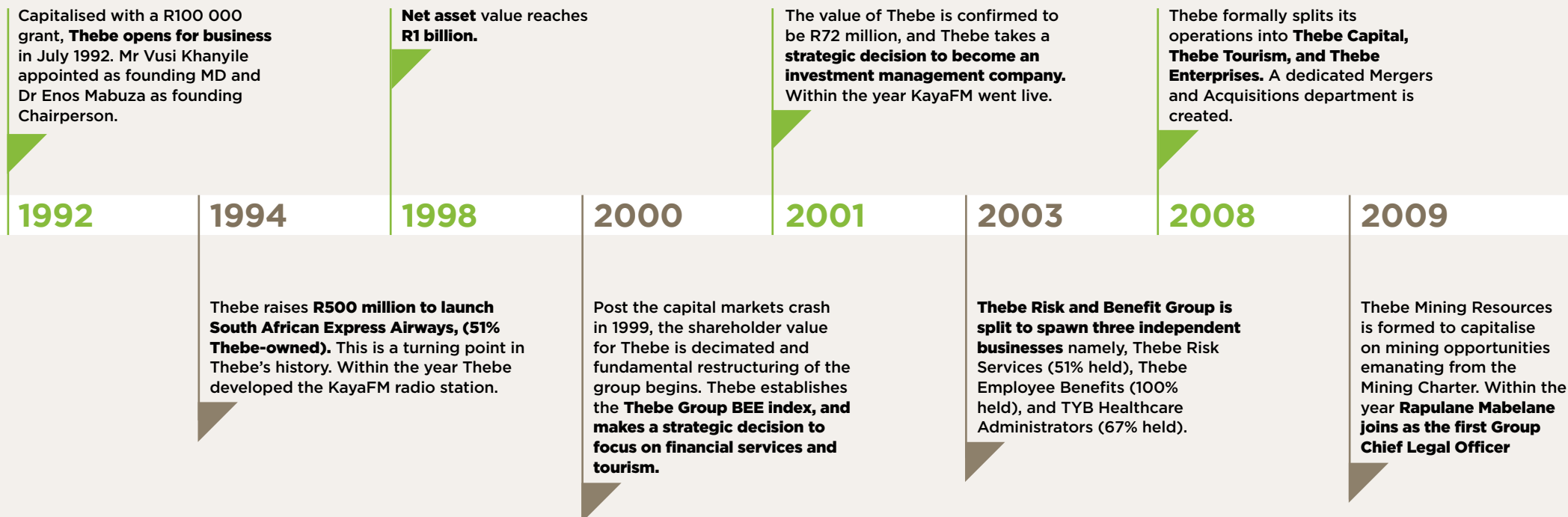




## Thebe Group at a glance continued

### Thebe Investment Company historical timeline

To fully appreciate the essence of Thebe, we have to begin at its origins and foundation to identify some of its key birthmarks that, taken together with other foundation stones that were laid at its inception, tell us who Thebe is, its reason for being, how it came about and some of the principles accompanied by moral obligations that underlie the foundation and operations of Thebe, which continue to shape its identity and character. The origin of the word Thebe is a Sotho word meaning 'shield' - this positions Thebe as a force of protection and defense that filters through our work and reason for being.





## Thebe Group at a glance continued

Thebe establishes a **Power and Infrastructure division**, as well as the Thebe Foundation to drive the overarching group **strategy on community development**.

2011

2013

**Thebe turns twenty-one.** Thebe evolves its Mergers and Acquisitions department into a Business Development and Strategy division, headed by Jaques De Wet.

Thebe turns **twenty-five**. Within the year Thebe increases its **equity shareholding in KayaFM from 45% to 70.1%** and acquires a 25% shareholding in Seriti.

2017

2018

Thebe appoints **Sizwe Mncwango as CEO Designate**. Thebe acquires shareholdings in a number of companies, namely HarvestFresh (51%), Pride Milling (30%), Discover Digital (51%), and Pulida (20%) – a REIPPP solar project.

Thebe reorganises its portfolio into **five main pillars**, namely petrochemicals; power and infrastructure; business services; food and agriculture; and technology, media, and telecoms. **Sunil Ramkillawan is appointed the CEO** of Thebe Energy & Resources.

2019

2020

Thebe concludes a major equity raise and refinancing of **R2,8 billion of its renewable energy portfolio** with Stanlib, the largest transaction in Thebe's history.

Thebe **refocuses its strategy on water, gas, and battery storage**. Thebe Solar raises a significant funding facility from First Fund and RMB to fund the roll-out of its rooftop solar projects. Thebe appoints **Jacques De Wet as CEO** of Thebe Food and Services.

2021

2022

Thebe appoints **Rapulane Mabelane as Chief Investment Officer**. Within the year Thebe focuses on renewable energy projects and submits bids for Round 6 of the REIPPP Programme.



## Thebe Group at a glance continued

### Who leads us

The Board of Directors at Thebe Investment Corporation plays a pivotal role in steering the company's strategic direction and ensuring robust governance practices. Comprising a diverse group of seasoned professionals with extensive expertise across various sectors, the Board is committed to upholding the highest standards of integrity, transparency, and accountability. Their collective vision and leadership are instrumental in driving Thebe's growth and success, aligning with our mission to deliver sustainable value to our stakeholders.

### Board of directors

■ Non-Executive Directors



**Nhlanhla Nene**

**Chairperson**

Bachelor of Commerce Honours  
Diplomas in Economic Policy and Marketing Management  
Certificates in Economic Policy and Macro and Microeconomics



**Godfrey Gomwe**

**Non-Executive Director and Chairperson of the Remuneration Committee and Social, Ethics and Transformation Committee**

Master of Business Leadership  
CA(SA)  
Bachelor of Accounting



**James Alderslade**

**Non-Executive Director and Chairperson of the Investment Committee**

CA(SA)  
Bachelor of Commerce Honours



**Sizwe Mncwango**

**Chief Executive Officer**

Master of Business Administration  
Master of Science (Engineering)  
Bachelor of Science (Engineering)



**Thandeka Zondi**

**Non-Executive Director and Chairperson of the Audit and Risk Committee**

CA(SA)  
Bachelor of Accounting



**Molefe Tsele**

**Non-Executive Director and Chairperson**

Doctor of Philosophy  
Bachelor of Law



**Monwabisi Fandeso**

**Non-Executive Director**

Bachelor of Science Honours  
Master of Business Administration  
Columbia Senior Executive Program



**Peta Mashinini**

**Non-Executive Director**

Master of Business Administration  
Postgraduate Diploma in Human Resources Management  
Management Development Programmes: Public Sector Governance and Project Management

### Executive Committee Members



**Rapulane Mabelane**

**Chief Investment Officer**

Master of Business Administration  
Master of Banking, Finance and Commercial Law  
Attorney of the High Court of South Africa  
Bachelor of Law Honours



**Sunil Ramkillawan**

**CEO - Thebe Energy and Resources**

CA(SA)  
Master of Business Administration  
Stanford Executive Program, Stanford Graduate School of Business



**Jacques de Wet**

**CEO - Thebe Food and Services**

CA(SA)  
Master of Commerce (Financial Management)



*“Since our founding over three decades ago, we have always been driven by an unwavering commitment to leave a positive legacy in society.*

*Our differentiated position as a co-builder investor across various sectors continues to enable us to create value sustainably for the benefit of our shareholders and society. This is the Thebe Way.”*

*Nhlanhla Nene – Chairperson of the Board of Directors*

## Chairperson’s statement

Chairperson of the Board of Directors – Nhlanhla Nene

### An enduring force for good

I have always been inspired by Thebe’s heritage, long before I joined the Board of Directors three years ago, and even during my time as the Resident Adviser to the Group.

Few investment companies possess a powerful purpose that guides them and a demonstrable track record of delivering value – Thebe has the privilege of claiming both. We are more than an investment company: we are a force for good. This is encapsulated in our name, derived from ‘Thebe’ in Sesotho, meaning ‘shield’ or ‘force of protection.’

Our inaugural *Report to Communities* details our efforts in creating sustainable value through active engagement in investee companies and our ongoing mission to build and support communities.

### Sustainability trends influencing our investment choices

At Thebe, we view our role not merely as investors but as builders: we believe that sustainable investment can build a better society. We achieve this by partnering with businesses across a variety of industries to co-build and generate shared value.

This means we engage at every level, working alongside our investee companies to develop strategies, innovate solutions, and drive sustainable growth. Our approach is holistic and hands-on, ensuring that our investments do more than yield financial returns – they foster industry advancement, community development, and long-term economic sustainability.

Our business is fundamentally about people. Without people – whether it is our employees within Thebe or employees in our investee companies, customers, suppliers, communities, and business partners – none of what we achieved over the past year would be possible.

A special word of thanks to Mr. Sizwe Mncwango and his management team for their inspiring leadership and commitment to executing our strategy. Let me also thank the Board of Directors for their support, valuable input, and steer during the past year.

Thebe is a resilient business that has persevered through times of change, and now more than ever, we have a unique opportunity to continue making a difference.

**Nhlanhla Nene**  
Chairperson – Thebe Investment Corporation



*“If you look at our heritage, and our founding values, Thebe Investment was truly a pioneer in embracing the concept of companies as responsible corporate citizens.*

*The opportunities we have for growing sustainable value over the long term are ample – and reflect our aspiration to become a top-quartile investment company that continues to make a lasting difference.”* Sizwe Mncwango – Chief Executive Officer

## CEO's statement

Chief Executive Officer – Sizwe Mncwango

### Growing sustainable value, together

This year marks 32 years of excellence since our founding in 1992. Our founders created Thebe with a seed capital of just R100 000 underscored by a desire to leave a legacy. Today, we are a business with an attractive net equity growth rate – and an ambition to expand and manage a cash-generative portfolio consistently delivering a net cash yield of between 3% and 5% by the year 2030.

What underpins this ambition is our belief that we can grow sustainable value – *together*. On this journey of growth, we believe that growth can only be sustained if it is truly inclusive of the aspirations of communities, the protection of the environment and the outstanding creation of shareholder value. This is what drives us as the Management Team.

### Ambition 2030: Our platform for delivering value

Our strategy – *Ambition 2030* – is an inspiring platform for delivering sustainable value, built on four pillars, which encompass the right team, operational excellence, focused portfolio and optimal capital structure.

### Building sustainable growth

At its core, our commitment to integrating environmental, social and governance (ESG) in our decision-making is about developing sustainable investing solutions that target specific sustainability outcomes that are attractive to the investors.

At Thebe, we see ESG as an integral input in the investment process – and sustainable investing – investing to deliver shared value, as the end goal. Several trends are shaping how we continue building sustainable growth at Thebe, and some of these include:

#### The accelerated need for climate action

The physical effects of climate change affect every region, sector and community. These effects bring major risks, as well as opportunities, as a country like South Africa, and our investee companies themselves, transition to low-carbon technologies. There is wide debate at the moment about net-zero targets, which cover some 90% of the global economy. The Paris Agreement saw countries pledge to achieve carbon net-zero emissions by 2050, to limit temperature rises to ‘well below’ 2°C (and preferably within 1.5°C) above pre-industrial levels.



## CEO's Statement continued

While we do not yet have a firm pledge to net-zero targets as Thebe, we are acutely focussed on developing a set of credible actions that will contribute towards delivering these targets, with the view of decreasing our emissions through adaptation, but also being at the forefront of investing in renewable energy as an opportunity.

### Championing diversity, equity, and inclusion

In a business context, diversity – a company workforce with different characteristics – and inclusion – giving employees the ability to contribute fully and effectively – have become hot topics. It's not just about promoting fairness. There's growing empirical evidence showing that, under the right conditions, diversity and inclusion can lead to better business outcomes. These include attracting and retaining the right talent, higher productivity, better financial performance, and allowing our people to reach their ultimate potential.

It is by no coincidence that the first focus area of our Ambition 2030 Strategy is all about people ("Right Team") and inherent in this is the belief that a diverse workforce

can increase innovation and deliver better outcomes overall.

### Good governance as an anchor

At Thebe, our strong governance principles and risk-management practices continue to translate into sustainable long-term investment performance.

Our commitment to good governance is reflected in our governance framework which ensures that we act as good stewards of the resources entrusted to us, fostering a culture where decision-making is aligned with the long-term interests of our stakeholders.

Good governance serves as the foundation of investment stewardship, guiding us to manage and oversee investments responsibly. This not only helps in achieving superior financial returns but also in making a positive impact on society and the environment.

### Appreciation

During a time of immense change, our people have been steadfast in delivering value sustainably for our

stakeholders. "Building communities. Our bottom line" is more than just a motto – it is a promise that we make to society as we continuously evolve to take advantage of emerging opportunities.

Our investee companies, who represent the heart of our business, continue to partner with us on this journey. Their passion, resilience and focus have been inspiring during this time. I would like to express my gratitude to them.

The Board has provided invaluable support to the Management Team as we have collaboratively steered Thebe towards its *2030 Ambition*.

*Together, we will continue to build on the legacy we inherited, of impact, social conscience and sustainable growth.*

**Sizwe Mncwango**  
Chief Executive Officer – Thebe Investment Corporation

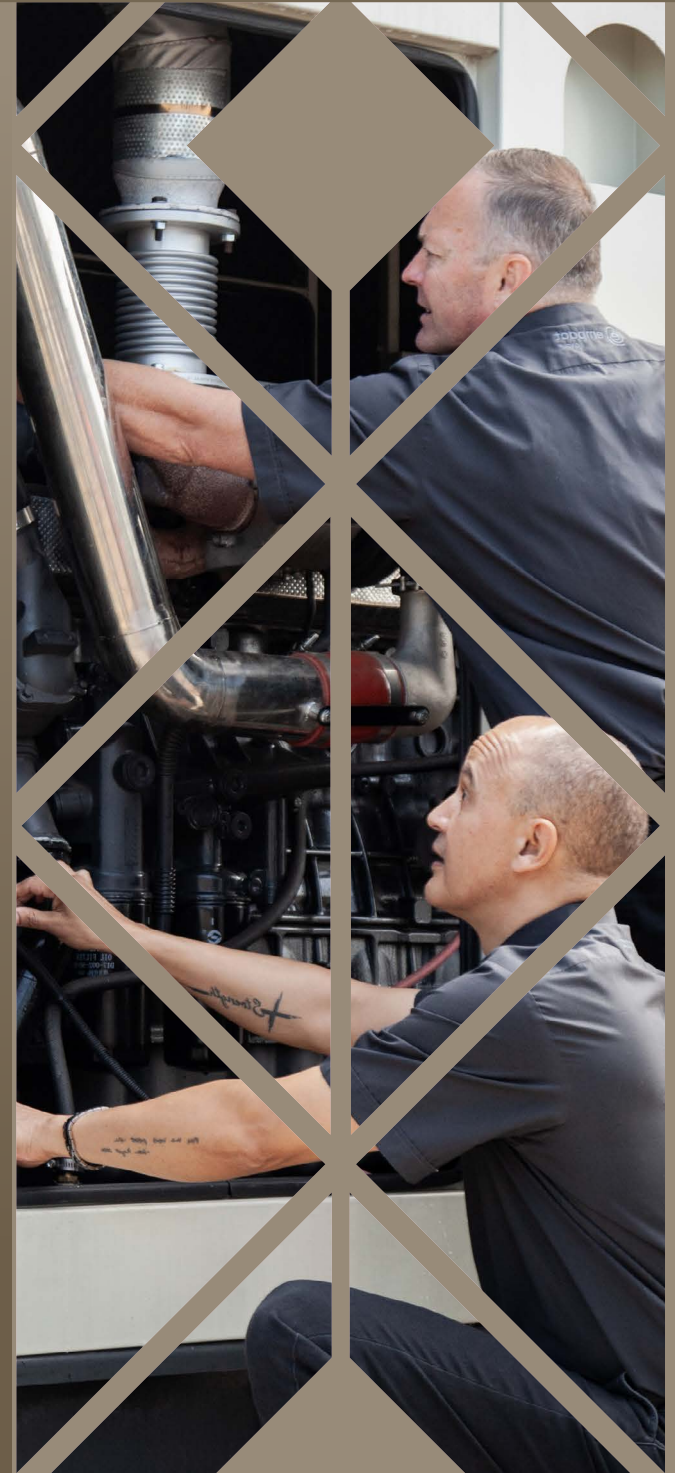




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# Operating context

## Trends impacting Thebe Investment Corporation

As an investment holding company operating within the dynamic landscape of South Africa, Thebe Investment Corporation navigates a multitude of external pressures with strategic foresight. The past year has presented a complex socio-political environment in South Africa, and the ripple effects of decelerating economic momentum both domestically and on a global scale have been palpable.

Our investee companies are being shaped by various economic, social, environmental, and technological forces. Economic fluctuations and policy uncertainties, evolving social dynamics, pressing environmental concerns, and rapid technological advancements demand adaptive strategies and proactive governance.

In response, Thebe's Management and Board remain vigilant, engaging in continuous monitoring and analysis of these multifaceted factors. We integrate a thorough understanding of these dynamics into our strategic decision-making processes, ensuring that we are not just reactive but also anticipatory in our approach.

### Economic environment

# 0.6%

South Africa's economic growth in 2023, compared to 1.9% in 2022

The global and domestic economic environment continued to weaken in 2023 with risks that have remained elevated. The weaker outlook for China, lower commodity prices and the risk that US interest rates will remain "higher for longer" have made the global economic environment less supportive of South Africa's growth path.

In addition, the persistent energy and logistics challenges in South Africa have continued to be a drag on the country's growth prospects.

# 6%

South Africa's inflation in 2023, compared to 6.9% in 2022

How we are responding:

- Managing our portfolio to ensure sustainability
- Focus on operational excellence and cost efficiencies where possible
- Ensuring that our operations contribute positively to the communities where we operate (see *Measuring our sustainability performance*)

### Social environment

# 28.4%

South Africa's unemployment rate in 2023, compared to 28.84% in 2022

South Africa faces innumerable challenges - from the energy crisis to the poor performance of rail and port infrastructure. In addition to this, the confluence of low economic growth, coupled with high unemployment provides fertile ground for social unrest, contributing negatively to the country's overall social cohesion.

The 2024 National Elections, which also marks the country's three-decade milestone as a constitutional democracy, will prove to be an important moment in the nation's history.

# R6 trillion

South Africa's infrastructure gap to meet the UN SDGs

How we are responding:

- Investing in supplier and enterprise development, socio-economic development, and skills development
- Ensuring that the Thebe Foundation is attuned and responsive to South Africa's social environment
- Exploring future opportunities to respond to the national infrastructure gap as an investment opportunity

### Environmental context

# 1.5 times

Mean annual temperatures have increased by 1.5 times during the last 50 years in South Africa

Climate change is an important challenge. The impacts necessitate alignment between business, society, and the environment. Thebe's current portfolio is tilted towards carbon, with energy accounting for 75%. Our aims and actions include working to reduce emissions, in line with South Africa's national efforts to achieve the UN 2030 Sustainable Development Goals. There is much debate, in the developing world, about the feasibility of achieving net-zero emissions by 2050, given the enormous developmental value that fossil fuels still have for an economy like South Africa.

# Net-zero

South Africa has a goal to reach net-zero emissions by 2050

How we are responding:

- Diversifying our portfolio through investments in renewable and clean energy - such as Seriti Green and Oya Green
- Focus on reducing emissions and broader environmental stewardship (including waste, water, and biodiversity) across our portfolio
- Investigating ways in which investee companies in our portfolio can continuously improve their environmental performance

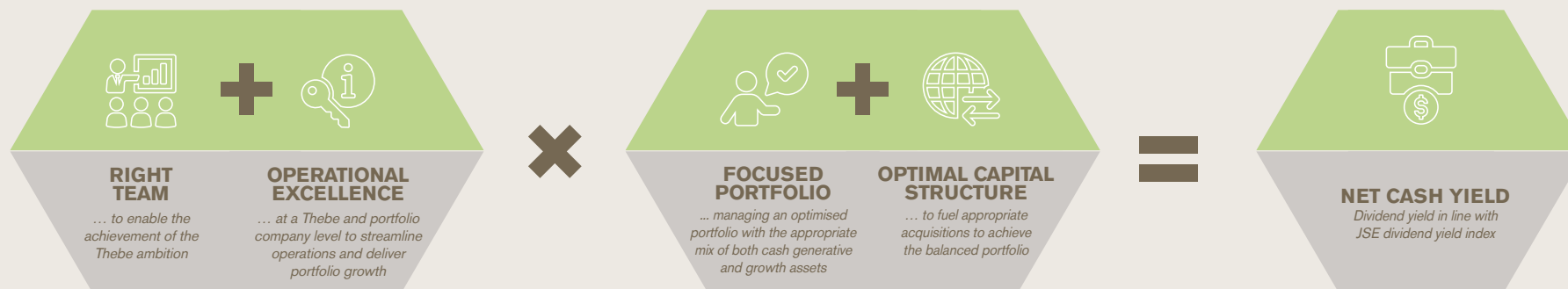




# Our journey to 2030

## Ambition and strategic themes

Our ambition is to expand and manage a cash-generative portfolio, consistently delivering a net cash yield of between 3% and 5% by the year 2030.



### TO SUPPORT THE ACHIEVEMENT OF OUR AMBITION 2030 STRATEGY WE ACHIEVED THE FOLLOWING IN FY2024:

**Building Communities our bottom line:** We have contributed R24 million to the Thebe Foundation to drive meaningful social impact in the areas of education and enterprise development.

**Strategic Growth and Focus:** Thebe Energy and Resources, together with Business Services, remain key drivers of our growth. In contrast, the Food & Agriculture sector is focusing on turnarounds and limiting new exploration of opportunities.

**Operational Excellence and Financial Strength:** We have reaffirmed our commitment to achieve the intended outcomes of our investments through operational excellence. This effort has been supported by strong financial performance from our Energy portfolio, which has enabled us to reduce our debt.

**Shareholder and Financial Management:** A significant dividend that is in line with JSE dividend yield index was paid to shareholders. Thebe's exit from Shell is expected to create substantial value, enhancing our reserves to fuel our Growth Ambition 2030.

**Ongoing and New Initiatives:** Our growth endeavours will persist, with a focus on growth in the Energy portfolio. In the Food and Agriculture sector, we are actively exploring opportunities that include strategically increasing our stake and significant potential acquisitions.

Dividends paid out to Shareholders

Contribution to Thebe Foundation

Re-investing into the focused portfolio



# 4

## Investment practices

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# Our investment philosophy

Thebe Investment Corporation is fundamentally an impact investor. This means that in the investment lifecycle – from when we identify opportunities, co-build them with investee companies and re-invest – we always have sustainable returns and enduring value in mind.

## We **identify** value-accretive opportunities

Our skilful investment professionals continuously work to identify value-accretive opportunities – aligned with Thebe's ethos.



We put communities at the heart of our investment philosophy

## We **re-invest** for growth and sustainable impact

We recognise the need to re-invest to ensure the growth of our investee businesses and our long-term sustainability. This drives a long-term focus and a consistency of strategy.

## We **co-build** with our investee companies

As an active investor, we work along with our investee companies to build the businesses in which we are invested. We are more than just an investor; we are a co-builder.

## Defining characteristics of Thebe's investment philosophy

### Capital-efficient and trusted

We have a long track record of honouring our commitments. We invest in our business for the long term and are committed to our talent-intensive and capital-efficient model. This is a cash-generative business mindful of shareholder value.

### We invest with an owner-culture mindset

Our people have the freedom to create within clear parameters determined by our values, team, and strategy. This underpins our long-term approach, motivation levels and alignment with our stakeholders.

This model is attractive to top investment talent.

### A focused portfolio

We are constantly evolving our portfolio to be relevant to the emerging trends, and the increased efforts to diversify our portfolio will support our business through market cycles.

### Unrivalled heritage

We are one of the few South African investment firms with an unrivalled heritage – rooted in impact and genuine transformation.

### Communities are at the heart of it all

Our communities come first. While we are first and foremost an investment company, we recognise the importance of creating and sharing value with our communities.

This is why we have built meaningful, long-term relationships with our communities.

## How we create value for stakeholders

### For our shareholders

Creating sustainable value through acquiring and growing businesses – ensuring our investments can achieve their long-term potential.

### For our partners

We are active participants in our investments, supporting our investee companies in formulating and executing strategy, achieving operational excellence, and exceeding the investment case.

### For society

Building communities for the long-term in the form of social and economic upliftment, while always holding previously disadvantaged communities as our primary beneficiaries.



# Our investment portfolio

## An evolving approach to our portfolio

At Thebe, our resilience is not just about survival but thriving. Our success is derived from a targeted focus on sectors where our scale and expertise sets us apart. We recognize the critical importance of adapting our portfolio strategy to keep pace with both global and domestic market trends, **driven by sectors which are critical for economic growth** and ensuring our investment expectations are strategically aligned with adjusted risk and attractive returns.

- **Energy and Resources** | Our investments in Power and Infrastructure, along with Petrochemicals, showcase our commitment to leading industrial advancements and fostering sustainable practices.
- **Food and Services** | We are actively involved in Agriculture, Agri-processing, and Business Services, driving innovations that sustain and enrich communities.

Across all our investments, Environment, Social, and Governance (ESG) considerations are paramount. We meticulously ensure that each investment not only yields financial returns, but also contributes positively to societal goals.

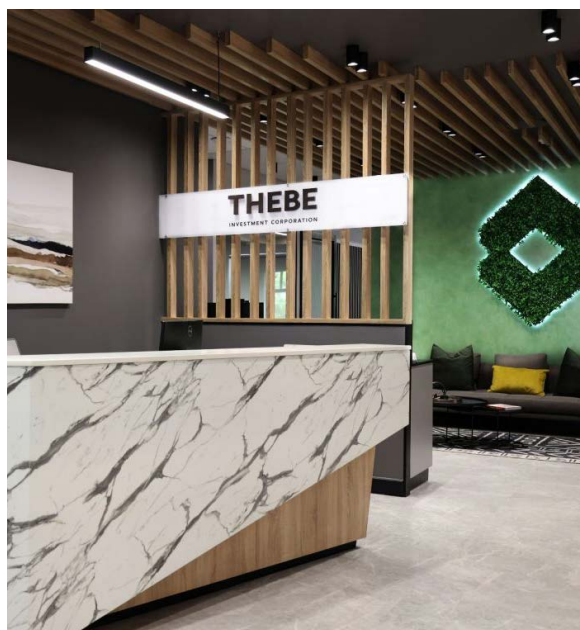
This includes initiatives to power the energy transition and foster social change. Through this strategic approach, Thebe continues to be a catalyst for impactful investment, championing both economic growth and sustainability.

## Performance of Thebe's portfolio

### Portfolio Contribution

Thebe's investment portfolio has demonstrated remarkable resilience and growth, surpassing pre-pandemic levels. However, the journey through the Covid-19 pandemic was challenging.

As an investment management company, from time to time, Thebe reviews its portfolio to ensure that it is appropriately positioned for the known and foreseeable challenges.



## Portfolio as at 31 March 2024

Name of Investee Company	Shareholding
<b>Petrochemicals</b>	
Shell Downstream South Africa	<b>28%</b>
Sekelo Oil Trading	<b>57%</b>
<b>Power and Infrastructure</b>	
Oya Energy	<b>7%</b>
Timrite	<b>100%</b>
Thebe Renewable Energy Holdings	<b>100%</b>
Thebe Solar Energy	<b>100%</b>
Seriti Resources	<b>23%</b>
Burgan Cape Terminals	<b>17%</b>
<b>Services</b>	
Empact Group	<b>100%</b>
<b>Agro Business-processing and Agriculture</b>	
Grow Fresh Produce Agents	<b>51%</b>
Harvest Fresh	<b>51%</b>
CHANGE Agriculture	<b>50%</b>
Pride Milling	<b>30%</b>
weGrow	<b>52%</b>



# 5

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# Aspiration statement

## Our sustainability aspiration statement:

Thebe recognises the importance of managing its business for the future. Long-term sustainability, creating value for our stakeholders and making a positive contribution to society and our communities is at the centre of what we do.

▶ Creating sustainable impact is core to who we are. Our impact-led approach allows us to work alongside our investee companies to build long-term value that is inclusive and sustainable.

## Positioned for greater impact Our sustainability journey

Sustainability has been at the heart of Thebe's ethos from the outset - since the founding of the Group over three decades ago. In FY2024, we continued to evolve our ESG objectives, along with associated key performance indicators (KPIs), which we are starting to integrate into all aspects of the Group's operations.

Our focus this year has been on collecting baseline data against these KPIs, which we hope will provide a consistent framework against which we can track the ESG performance of our portfolio over time and help us set ESG performance benchmarks. The Board, through its Social, Ethics and Transformation Committee, frequently assesses our approach to sustainability, seeking to emulate and drive best practices wherever possible.

## Going beyond compliance through the Thebe Codes

Thebe refined the Thebe Codes during its 2018 financial year, building upon the dtic B-BBEE Codes while addressing implementation gaps. Aligned with Thebe's commitment to community development, these codes aim to promote meaningful transformation. By leveraging its investment interests, Thebe actively encourages businesses operating in South Africa to reflect the country's demographics in their operations and value chains.

The Thebe Codes are integral in ensuring that transformation within the Group goes beyond superficial compliance, striving instead to positively impact people's lives.

## Developing our Sustainability Strategy

The Sustainability Strategy was drafted taking guidance on material issues from various standards including, the Global Reporting Initiative (GRI), South African Bureau of Standards (SABS), Principles for Responsible Investing (PRI), the Code on Responsible Investing and others. Moreover, the Sustainability Strategy was developed to align and support the *Thebe 2030 Strategy*. This alignment is essential to ensure coherence and synergy between the sustainability efforts and the broader strategic objectives of Thebe.

Additionally, the strategy will be integrated into the risk management process, to ensure that potential risks are adequately mitigated.





# Our sustainability strategy

## Our sustainability focus areas

**Building inclusion**

We create and inclusive culture where employees reflect our diverse communities and are empowered to grow and realise their potential.

**Building communities**

We support our communities through the Thebe Foundation for a prosperous society.

**Building inclusive supply chains**

We partner for growth with our suppliers in our supply chain, while ensuring responsible and sustainable practices.

**Balancing our environmental risks**

We strive to balance our environmental risks within our portfolio of investments.

**Incorporating ESG and sustainability in our investments**

We are active owners and incorporate ESG issues in addition to sustained profitable growth in our investment decisions.

**Objective:**

Embed ESG issues into the culture and develop and engaged and accountable workforce.

**How do we measure success?**

- ✓ Communication of the importance of ESG to employees and stakeholders at every opportunity
- ✓ 100% compliance with performance management processes and incorporate ESG targets into employee performance contracts
- ✓ Workforce engagement as measured through an annual survey

**Objective:**

Promote access to quality education and nurture the entrepreneurial spirit in our country.

**How do we measure success?**

- ✓ Bursaries and scholarships are awarded to deserving students on an annual basis
- ✓ Access to quality foundational education
- ✓ Promoting the growth of emerging enterprises and facilitating of market access

**Objective:**

Transform the supply chain to reflect the demographic imbalances of South Africa; and support identified suppliers.

**How do we measure success?**

- ✓ Improvement in the level and quality of support to TIC suppliers
- ✓ Embedding procurement policy to ensure consideration of negative ESG impact in procurement
- ✓ Number of Level 1 and 2 B-BBEE suppliers

**Objective:**

Promote investment and access to renewable energy and project biodiversity and water sources for sustainable growth.

**How do we measure success?**

- ✓ Net-positive environmental impact
- ✓ Invest sustainably in businesses in renewable energy
- ✓ Improve water and soil management practices in investee companies

**Objective:**

Incorporate ESG issues in investment considerations, decisions, and management processes.

**How do we measure success?**

- ✓ Optimise portfolio towards a net positive contribution to ESG and sustainability
- ✓ Attract ESG-focused or mandated capital
- ✓ Incorporate ESG in all monthly operational management reporting



## Our sustainability strategy continued

### Embedding sustainability – milestones in FY2024

In the past year, we have embarked on a transformative journey, embedding sustainability and ESG principles at the heart of our operations. This commitment has been more than just a strategic priority; it has become a fundamental aspect of our corporate ethos.

#### 1 Thebe drove the adoption of sustainability in several investee companies



Aligned with the Group's commitment to strive for best-in-class ESG and impact performance, Thebe drove the development and adoption of ESG and sustainability strategy and framework across subsidiary investee companies during the financial year.

##### › **Grow Fresh Produce Agents**

Grow Fresh Produce Agents is making strides in enhancing food security through the promotion of responsible practices and inclusive working environments. In FY2024, working with the Thebe Group, the company set the following ESG focus areas for itself, namely:

- Reduce the negative environmental impact of forklifts
- Understand and have control of environmental impact in the fresh produce market
- Ensure that the workforce reflects diverse communities and are empowered to grow

##### › **Harvest Fresh**

As one of South Africa's largest fresh produce processors, Harvest Fresh is focused on creating positive long-lasting social and environmental impact through our products, processes, and people, through:

- Reducing food and water waste and efficiency
- Engaging suppliers to ensure that they follow responsible farming practices
- Providing safe, good quality and nutritious foods
- Improving the skills of employees and fostering a diverse and inclusive work environment

##### › **Impact Group**

Impact is on a journey to prioritise its people, partner with clients, and uphold operational efficiency to bring about meaningful impact within our organisation and across our supply chain, through:

- Enhancing disposable income levels across the organisation
- Reduce and manage waste
- Leverage supply chain for greater efficiency
- Innovate for energy efficiency

##### › **weGrow**

WeGrow is resolute in its focus to become a successful commercial farming enterprise that contributes to food security in South Africa for the benefit of the community and other stakeholders. In 2024, the company began developing its sustainability focus areas as part of its strategy which will be finalised by the close of the year:

- Strengthening operational resilience and sustainability through investment
- Making a positive contribution towards the development of communities in which WeGrow operates - with a focus on early childhood development and road infrastructure
- Improve the overall productivity and performance of employees through enhanced Total Employee Offering
- Respond to evolving consumer needs for safe and sustainable products
- Encourage suppliers and customers to embrace sustainable business practices





## Our sustainability strategy continued

### 1 Thebe drove the adoption of sustainability in several investee companies continued

#### › Timrite

Timrite purpose is to design, manufacture and supply innovative, cost effective, good quality, safe mining and timber-related products and services to related industries, in a socially and environmentally responsible manner. Timrite aims to be a responsible corporate citizen with a minimal impact on greenhouse gas emissions, empowered healthy workforce and with operations grounded in the communities in which we operate.

- Contribute positively to communities in which we operate through enterprise development and job creation
- Wellness in our workforce with high health and safety standards throughout our operations
- Procurement of services and products from suppliers who share our commitment to good corporate citizenship.
- Have a positive impact on greenhouse gas emissions with an efficient energy consumption from renewable sources
- Reduce or eliminate amount of waste generated by operations

#### › Sekelo Oil Trading

Sekelo Oil Trading is committed to meeting the current energy supply needs for economic development while also making a positive contribution to South Africa's transition towards a greener future through the introduction and promotion of trading in alternative low and no-carbon fuels, by:

- Improving the wellness and level of skills of employees
- Developing bespoke cleaner energy solutions in partnership with clients and drive customer-led adoption of these cleaner energy solutions
- Explore ways to provide mining customers with cleaner energy solutions (hybrid solutions including solar and low carbon diesel) to help them meet regulatory obligations

### 2 Repositioning the Thebe Foundation for greater impact

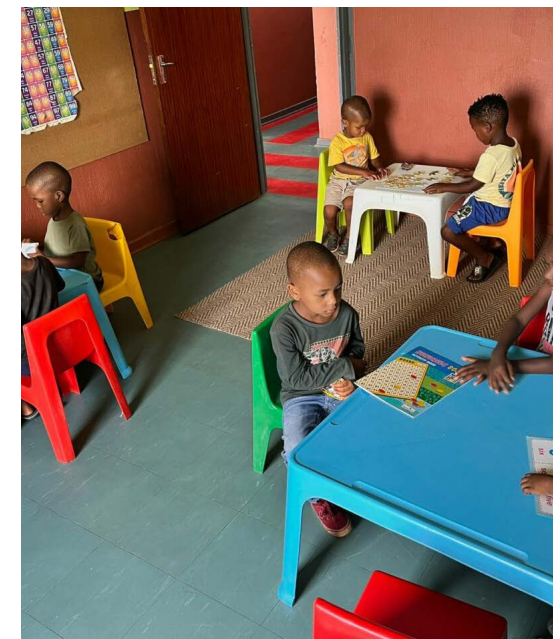
Over the next five years, the Thebe Foundation will prioritise operational excellence and deepen its commitment to current programmes rather than expanding to new provinces. Our focus will remain on creating a lasting impact and ensuring the sustainability of our initiatives. By concentrating our efforts, we can better address the specific needs of our communities and deliver more meaningful outcomes.

We are dedicated to making a substantial impact in our chosen districts in Mpumalanga through focused initiatives:

- › **Teacher Training Programme:** We will continue to enhance our teacher training efforts to ensure high-quality education.
- › **Learner Wellbeing:** Introducing new aspects such as healthcare, nutrition, and increased parental involvement to support overall learner wellbeing.

In our tertiary education programme, we aim to bolster opportunities for employment and entrepreneurship by:

- › **Trade Skills Support:** Expanding our focus to include trade skills.
- › **TVET College Qualifications:** Promoting TVET college qualifications to fast-track career readiness and entrepreneurial ventures.





# Alignment to the United Nations Sustainable Development Goals

Although the nature of what we do makes us inherently impactful, we recognise that we are on a journey. As part of this journey, we are working towards being better able to measure and monitor our impact.

## KEY MESSAGES

### Our contribution to the United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are focused on tackling the pressing social, economic and environmental issues that could threaten the livelihoods and well-being of people worldwide.

It is important that our business priorities and strategy align with the goals and that we can demonstrate how the results we deliver contribute to specific SDGs. As our business grows and evolves, our approach to the SDGs will progress, too.

## Our contribution to the United Nations (UN) Sustainable Development Goals (SDGs)

At Thebe, we understand the importance of these goals and commit to integrating them into our business model. Our approach involves:



## United Nations Sustainable Development Goals





# Shining a spotlight on the impact of the Thebe Foundation

Neliswa Booï – a seasoned professional and executive within the Thebe group – was appointed as CEO of the Thebe Foundation in January 2023. In her reflections below, she provides insight into the importance and role of the Foundation in fulfilling Thebe’s enduring purpose of building communities.

## Question:

**Can you tell us what you are most excited about when you reflect on the work of the Thebe Foundation?**

## Answer:

Having been founded in 2011, the Thebe Foundation continues to grow as an independent trust to drive Thebe Investment Corporation’s (TIC’s) corporate social investment strategy.

Our impact has mainly been on two pillars: education and enterprise development. This is where we have our anchor programmes, and this is where we have been able to have a meaningful impact on communities. We have also evolved to support several TIC investee companies, extending our efforts beyond assisting the Group at the holding company level.

What excites me the most is our evolution. We have not remained static – and I think a lot of this has got to do with the “Thebe spirit” of seeking not only to do the right thing, but also to do things differently.

The world of philanthropy and Corporate Social Investment continues to change, and a key part of my focus as CEO of the Foundation is to figure out where else we can have a more meaningful impact, without losing the essence of who we are and what we do.

## Question:

**Talk to us about impact – how do you measure the work of the Foundation?**

## Answer:

That’s a good question because you can’t improve what you don’t measure, and *vice versa*. We have always had a big focus on monitoring and evaluation. In other words, it is not enough for me and the Foundation team to talk about the great work we do, without being able to quantify the impact and identify gaps.

In 2021, the Foundation contracted Tshikululu Social Investments – a leading entity in CSI management in South Africa – to undertake a rigorous and independent assessment of our impact. The results were telling:

- **The literacy and numeracy programme:** There was evidence from data collected from the teachers, principals, HODs and subject advisers that the programme responded to address the deficiencies of learning and teaching of numeracy and literacy.
- **On our Dr Enos Mabuza Scholarship Programme:** We found that this programme is sustainable, as it enables students from poor backgrounds to enter the tertiary system and thrive long after our initial interventions.

## Question:

**Let’s talk numbers. It would be interesting to hear the numbers that back this up.**

## Answer:

The numbers speak for themselves. Anchor programmes such as the Literacy and Numeracy programme, are long-term initiatives. We continuously measure their impact and seek opportunities to improve outcomes.

The independent assessment looked at the period 2013 – 2019, and while it may seem dated, this is a good dipstick on our long-term impact. In summary, through this programme, we have – during the period (2013 – 2019):

**Positively impacted**

**16 schools**

**Reached over**

**85 000 learners**

**Partnered with over**

**1 830 teachers in two districts in Mpumalanga to achieve a significant shift.**

We are not resting on our laurels; our work continues because we believe there is always potential to enhance our impact.

## Q&A with Neliswa Booï



### Looking ahead

“Over the next 5 years, the Thebe Foundation will focus on operational excellence and deepen and strengthen its involvement in current programmes.

We are particularly grateful for the enormous support that we continue to receive from the Board, who have been on this journey with us since the formation of the Foundation.”

**Neliswa Booï**  
CEO Thebe Foundation



# Building impact through the work of the Thebe Foundation

## KEY MESSAGES

➤ The Thebe Foundation was established as an independent trust in February 2011 to drive the Group's corporate social investment strategy.

The Foundation forges partnerships between Thebe, its subsidiaries, and economically marginalised communities to ensure a more prosperous and humane future."

Neliswa Booï

CEO of the Thebe Foundation



## Thebe Foundation strategy overview

The Thebe Foundation aims to become a catalytic force for the transformation and empowerment of communities. Its vision is to achieve profound community impact through a well-structured framework focusing on service to Thebe companies and the community, delivering exceptional services and performance, and establishing a strong resource foundation. Its mission is to implement and support sustainable programmes that are community-focused, empowering, and geared towards nation-building.

The Foundation's focus areas for learning and growth include improving educational initiatives, enhancing small business support through programmes like the Small Business Enrichment Programme (SBEP) with University of Johannesburg (UJ), and expanding scholarship opportunities to support black students. These initiatives aim to improve operational knowledge, literacy, and numeracy, thus fostering a culture of continuous learning and growth within the community.

Focus area	Initiatives	Goals
<b>Enterprise development</b>	<ul style="list-style-type: none"> <li>• Business Summit for market access</li> <li>• Enterprise development</li> <li>• Localised EDC for Thebe companies</li> <li>• Enhanced Small Business Enrichment Programme (SBEP) with the University of Johannesburg</li> </ul>	Improve market access and support for small businesses.
<b>Foundation Phase Education</b>	<ul style="list-style-type: none"> <li>• Improve literacy and numeracy programme for impact</li> </ul>	Enhance literacy and numeracy skills amongst the target learner group
<b>Tertiary education - Dr Enos Mabuza Scholarship</b>	<ul style="list-style-type: none"> <li>• Expanded programme to support the success of black students</li> <li>• The programme also supports the children of Thebe and Thebe Foundation employees</li> </ul>	Provide greater educational opportunities and support for black students



# 6

## Progress on our sustainability strategy

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*“We believe that doing business well is ultimately good for business. By prioritising sustainability, we strive to positively impact the environment, society and our stakeholders, recognising that responsible investment practices are ultimately conducive to our long-term sustainability”*

*Godfrey Gomwe – Chairperson of the Social, Ethics and Transformation Committee (SETCO)*

## Message from the Chairperson of the SETCO

Godfrey Gomwe – Non-executive director and Chairperson of the SETCO

### Our story of impact

On behalf of the Social, Ethics and Transformation Committee of the Board, I am delighted to present the Sustainability Performance Report as part of our inaugural *Report to Communities* for the 2023 financial year. Sustainability is deeply embedded in Thebe’s operational philosophy, forming a core aspect of our business ethos. Throughout the 2023 financial year, we remained steadfast in positioning the Group for long-term success despite the formidable global challenges we faced.

As the Social, Ethics and Transformation Committee, we continuously analyse the evolving global environmental, social, and governance (ESG) landscape, especially within the investment industry. Environmental considerations are central to our practices, and we invest substantial effort in balancing ESG factors to ensure sustainable business operations across various industries.

The social component of ESG at Thebe underscores our commitment to the well-being, development, and welfare of our workforce while making positive contributions to our communities. In South Africa, advancing transformation is a key element of our social obligations. We recognise the

increasing need for community engagement and consultation, aligning with our development initiatives in education and skills training. Governance, the third pillar of ESG, anchors our efforts, with Thebe’s reputation for transparency, accountability, and ethical behaviour standing firm.

The Social, Ethics and Transformation Committee takes particular pride in our robust governance frameworks that ensure regulatory compliance, mitigate risks, and promote fair business practices. Overall, we recognise that integrating ESG considerations into our operations is both a moral imperative and a strategic advantage.

For Thebe, embracing sustainable and socially responsible practices will foster long-term resilience, enhance our reputation, attract talent, and help us mitigate risks associated with climate change and evolving societal expectations.

### Looking ahead

As we navigate an increasingly uncertain world characterised by economic and geopolitical volatility, and the need to further embed ESG into our operations, the importance of delivering shared and sustainable value cannot be overstated.

Our sustainability performance is a crucial foundation for building a resilient and adaptable business that can thrive in the face of change. I am confident that our comprehensive protocols, policies, and procedures will continue to drive our sustainability initiatives forward, ensuring we stay at the forefront of positive transformation.

In closing, I thank our esteemed Board and committee members, CEO Sizwe Mncwango, the management team, and all our employees for their unwavering commitment to Thebe’s journey of impact.

With a firm foundation and a collective drive, I am confident that we are well-positioned to deliver enduring value safely, efficiently, and sustainably to all our stakeholders.

**Godfrey Gomwe**  
Chairperson of the Social, Ethics and Transformation Committee



# Our journey so far



## Our approach to measuring our sustainability performance

In this inaugural report, we will focus on reporting our progress in the context of the newly developed Thebe Sustainability Strategy. By sharing our achievements and areas for improvement, we aim to engage our stakeholders in our journey towards a more sustainable future. Additionally, this report will highlight key initiatives and projects that demonstrate our dedication to making a positive environmental and social impact through detailed case studies.

To demonstrate impact of our contributions to society, we have developed case studies that provide deeper insights into our sustainability initiatives. These case studies will illustrate real-world examples of our efforts, showcasing our commitment to sustainable practices and the tangible benefits they bring to our communities and environment.

## Thebe Sustainability Strategy

We recognise the importance of managing our business for the future. Long-term sustainability investment, creating value for our stakeholders and making a positive contribution to community is at the centre of what we do.

### Five focus areas

- 1  
**Building inclusion**
- 2  
**Building communities**
- 3  
**Building inclusive supply chains**
- 4  
**Balancing our environmental risks**
- 5  
**Incorporating ESG and sustainability in our investments**

### How do we measure progress?

- Overall outcomes**
- Performance against objectives (linked to each focus area)**
- Qualitative (case studies) and quantitative (data) demonstrating progress**



# Focus area 1 Building inclusion

**We create an inclusive culture where employees reflect our diverse communities and are empowered to grow and realise their potential for the long-term sustainability of Thebe Investment Corporation.**

At Thebe Investment Corporation, we are committed to fostering an inclusive culture that not only reflects, but also celebrates the diversity of our communities. Our strategic focus on Building Inclusion is designed to ensure that every member of our workforce feels valued and empowered. This focus area is not just about compliance; it is about setting a standard for excellence and equity in every aspect of our operations.

The following table delineates our specific objectives under this crucial focus area, alongside the outcomes we intend to achieve. Through these targeted efforts, we aim to enhance workforce diversity, employee empowerment, and integrate Environmental, Social, and Governance (ESG) issues deeply into our corporate ethos. Our objectives are structured to cultivate a workplace where diversity is seen as an asset, opportunity is universal, and accountability is shared across all levels.



## Focus area 1 - Building inclusion | Our long-term intent

Focus area 1	Objective 1.1		Objective 1.2		Objective 1.3
<b>Building inclusion</b>	<b>Ensure that our workforce reflects our diverse communities.</b>		<b>Ensure that our workforce is empowered to grow and realise their potential.</b>		<b>Embed ESG issues into the culture, develop an engaged and accountable workforce.</b>
<b>Intended outcomes</b>	Increased representation of black women at executive committee, senior management and board level.	The Thebe Investment Corporation workforce will reflect the demographics of our society and our Employment Equity Plan.	A notable improvement in the level of skills of our employees.	Improved employee wellness as measured by the wellness survey.  An environment that promotes employee wellness.  Supporting employees in achieving their individual wellness.	Communication of the importance of ESG to employees and stakeholders at every opportunity.





# Championing holistic employee wellness

The investment industry has long been a high-stress, high-stakes culture, and this strenuous environment can have an adverse impact on employee wellness. With a high-performing team of investment professionals working within the holding company, Thebe is acutely aware of the responsibility to create a working environment that supports holistic wellness.

## A unique Intervention - Thebe Wellness Shutdown

Recognising the need to signal a marked shift for its employees, Thebe has implemented a “Wellness Shutdown” programme that mandates employees to take time off to recharge and focus on their well-being. This initiative aims to reduce stress, prevent burnout, and promote a healthier work-life balance.

### 11 days

Time off given to Thebe’s employees in addition to statutory leave

### 60-80 hours

Global average weekly hours in the investment industry

### 77%

Average number of South Africans who believe their mental health is as important as physical health

*“As a leader, I am acutely aware of my duty of care towards our people. The investment industry often demands long hours and can be highly stressful. I believe that fostering a culture where wellness is openly discussed and proactively managed is crucial for our long-term success.”*

*Our initiatives to create a more inclusive and supportive work place stem from our core value of Botho. I firmly believe that prioritising the well-being of our employees is the key to remaining an employer of choice.”*

**Sizwe Mncwango**  
Group CEO - Thebe Investment Corporation



Thebe provides extensive support to its interns and graduates enabling them to succeed for the long-run.

## Ensuring the long-term success of young people in the workplace

Each year, Thebe attracts a cohort of graduate interns from various fields to support the Group’s investment activities. Many of these bright and capable young people come from challenging environments, with some being first-generation graduates in their homes.

“We have realised that it is simply not enough to employ capable young people into our internship programmes. This year, Thebe established the Intern Self-empowerment Programme which aims to equip young individuals with the skills and qualities needed to become valuable and sought-after professionals in the workplace,” says Sizwe Mncwango, Group CEO of Thebe.

Through this support programme, Thebe aims to address several issues facing graduate interns, including:

- Workplace adjustment and managing interpersonal relationships
- Professional development and mentorship opportunities
- Emotional and mental health support
- Navigating career pathways and goal-setting

By providing comprehensive support, Thebe ensures that its interns and graduates are not only equipped with the skills necessary for their roles but also empowered to thrive and grow within the industry. This commitment to nurturing young talent underscores Thebe’s dedication to building a sustainable and inclusive workforce for the future.



# Focus area 2 Building communities

We support our communities through the Thebe Foundation for a prosperous society through the promotion of access to quality education and nurturing the entrepreneurial spirit in our country.

At Thebe Investment Corporation, our commitment to building stronger communities is manifested through our strategic objectives focused on education and entrepreneurial support. These initiatives are integral to our mission of fostering sustainable community development and creating opportunities that extend beyond immediate business interests. Our targeted efforts are designed to ensure long-term benefits for the communities we serve, aligning with our broader corporate responsibility goals.

The table below outlines the specific objectives and intended outcomes within this focus area, illustrating our proactive approach to promoting education and entrepreneurship.



Focus area 2	Objective 2.1	Objective 2.2	Objective 2.3
<b>Building communities</b>	<b>Promote access to quality foundational education</b>	<b>Promote access to quality tertiary education</b>	<b>Promote growth of emerging enterprises and facilitate access to market</b>
<b>Outcomes</b>	Demonstrate our commitment to financial support of foundational education to the Foundation beyond compliance. Measurable improvement of learner performance in numeracy and literacy in the schools we support.	Demonstrate our commitment to financial support of tertiary education to the Foundation beyond compliance. Increased number of graduates placed in employment.	Demonstrate our commitment to financial support of entrepreneurship. Improvement in revenue growth and jobs created.



# Lending a helping hand to today's youth

South Africa faces an enormous challenge, with over 46% of its young people unemployed. Empowering young people with the best skills and education has been proven to be the best mitigation to tackle the scourge of youth unemployment. Thebe has several age-appropriate programmes that support young people at varying stages of their development.

## Supporting foundation phase education

Thebe's Literacy and Numeracy Programmes support a total of 7 905 learners, 15 schools and 194 teachers in the Nkangala and Gert Sibande Districts in the Mpumalanga province. It comprises both literacy and numeracy focusing on the foundation phase (Grades R to 4). This approach ensures that a continuum of support is offered to both learners and teachers alike in the foundation phase.

*"These various projects demonstrate our commitment to continue to lend a helping hand to today's young people as they navigate enormous socio-economic challenges.*

*Initiatives to create a more inclusive and supportive workplace stem from our core value of care. I firmly believe that prioritising the well-being of our employees is the key to remaining an employer of choice."*

**Sizwe Mncwango**  
Group CEO



*Through the Thebe Foundation, several impactful education and development programmes are implemented throughout the length and breadth of South Africa.*

## Building better futures through the Dr EJ Mabuza Scholarship Fund

The Dr EJ Mabuza Scholarship Fund was established in 2016 in honour of Dr Enos Mabuza, and the critical role he played in the establishment of Thebe Investment Corporation together with Nelson Mandela, Walter Sisulu and Beyers Naude.

The initiative aims to support financially needy students at higher education institutions. It also aims to contribute to the development of graduates who are confident and proud of their African identity, academically and socially adept, and equipped with the skills and competencies that enable them to become leading professionals in their fields.

The Thebe Foundation provides support services at all stages of this programme, to ensure that all recipients are supported in their academic efforts and successfully graduate at the end of their studies.



# Meet Nomsa, a national champion teacher supported by the Thebe Foundation

## How Thebe Foundation helped this champion teacher

*“The Thebe Foundation has significantly helped me develop as an educator. Through their programmes, I learned how to create engaging spaces in my classroom, such as reading corners.*

*This initiative has greatly enhanced my students’ interest in books and reading. I have also mastered various reading strategies, including shared reading, independent reading, and group-guided reading, all presented in a fun and engaging way.*

*Additionally, I’ve learned how to effectively use resources to enrich my lessons.*

*Thanks to the new teaching strategies I acquired from Thebe, I participated in the National Teacher Awards.*

*Since then, I’ve won three first-place awards at district levels in 2019, 2021, and 2022, as well as one award at the Provincial National Teachers Awards in 2022.”*

– Nomsa Masiteng,

Educator at Shapeve Primary School (Secunda)



## Empowering teachers to deliver the best outcomes

Many education interventions geared at improving learner outcomes forget a crucial ingredient: the empowerment of teachers. The focus is typically only on learners while forgetting the driving force behind them.

The Thebe Foundation’s Literacy and Numeracy programme achieves this balance by placing an emphasis on providing teacher support in the areas most needed, including teaching strategies, classroom management, and the effective use of educational resources. By equipping teachers with these skills, the programme ensures that educators can create engaging and effective learning environments, ultimately leading to improved learner outcomes.

## Benefits of a holistic approach to improving outcomes

While there are several other programmes that are geared toward improving literacy and numeracy outcomes, the Foundation’s programme is distinct for a few reasons:

- **Holistic approach:** The programme not only focuses on learners but also empowers teachers with essential skills and strategies.
- **Sustainable Impact:** By equipping teachers with long-lasting techniques, the programme ensures continued improvement in literacy and numeracy outcomes.
- **Resource utilisation:** Teachers are trained on how to effectively use educational resources to enhance learning experiences.
- **Tailored support:** Specific interventions are designed to meet the unique needs of each school and its students.



# Empowering growth: A journey from education to agricultural leadership through the Thebe Foundation

## Simphiwe shares his journey of growth and impact

*"I would like to express my heartfelt gratitude to Thebe for the inspirational summit held at the University of Mpumalanga over the past two years. The event has been profoundly impactful, particularly in showcasing the achievements of people of colour in the business world.*

*As a beneficiary of Thebe's support, I have witnessed firsthand the significant contributions to my education, personal development, and continuous learning made by the foundation.*

*With five years of experience as a farm supervisor and currently serving as a section manager on a large commercial farm specialising in soft citrus in the Letsitele Valley area of Tzaneen, I have gained valuable skills and insights. Upon learning of Thebe's interest in citrus farming, I recognised an opportunity for further growth and learning."*

**- Simphiwe Nyathikazi, Senior Supervisor - Indigo Fruit Farming**





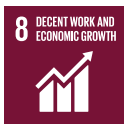
# Focus area 3 Building inclusive supply chains

We partner for growth with our suppliers while ensuring responsible and sustainable practices.

## Enhancing sustainability and efficiency

At Thebe Investment Corporation, we recognise that our supply chain is fundamental to our operations and integral to achieving our sustainability objectives. In Focus area 3, we are committed to building an inclusive and responsible supply chain that not only supports our suppliers, but also reflects our dedication to environmental, social, and governance (ESG) principles.

The table below details our objectives and the anticipated outcomes for enhancing our supply chain practices, demonstrating our proactive approach to fostering sustainable and inclusive business relationships:



Focus area 3	Objective 3.1	Objective 3.2
<b>Building inclusive supply chains</b>	<b>Improvement in level and quality of support provided to selected Thebe suppliers</b>	<b>Embed procurement policy that ensures consideration of negative ESG impact in Thebe's procurement processes</b>
<b>Outcomes</b>	Improved impact and business growth demonstrated by an appropriate measure (Revenue, number of clients, geographic expansion, etc)	Improved ESG performance by TIC suppliers



# Developing enterprises through Thebe's supply chain

Thebe is committed to fostering enterprise development through strategic outsourcing within its supply chain. By partnering with small and medium enterprises for key functions such as corporate advisory services, human resources, company secretarial services and a range of other professional services, Thebe not only enhances its operational efficiency but also provides critical support to these emerging businesses.

## Supporting founders in the professional services sector

Thebe is committed to fostering diversity and inclusion within the business landscape with a focus on supporting founders from historically disadvantaged backgrounds in the advisory sector. Understanding the unique challenges these entrepreneurs face, Thebe provides customised mentorship, access to capital and strategic networking opportunities. By investing in these visionary founders, Thebe aims to dismantle barriers to entry and energise the advisory sector in South Africa with greater diversity.

In this case study, we profile a few of the advisory firms that have benefited from Thebe's support, these include:

- HR Ignite
- Ngoepe Law
- Andisa Consulting

## HR Ignite



HR Ignite is a micro-enterprise with 55% black ownership, of which at least 45% is black female-owned, positioning the company as an automatic Level 2 BBBEE contributor. This strong BBBEE status underscores HR Ignite's commitment to transformation and empowerment in South Africa.

HR Ignite specialises in delivering tailored HR solutions that align with clients' strategic objectives while ensuring compliance with local regulations. Outsourcing has proven to be a sustainable and competitive approach for businesses aiming to optimize operations, reduce overhead costs, and drive efficiency.

*"In 2016, Thebe decided to outsource its HR function and offered supplier development funding to HR Ignite. Seapei Makgoga, formerly Thebe's HR Manager, joined me, bringing her invaluable knowledge and experience.*

*Our vision at HR Ignite is to grow beyond Thebe, offering skills and expertise to companies in need of HR business partners."*

**Amanda Earle**  
Founding and Managing Member  
- HR Ignite

## Andisa Corporate Services



Andisa Corporate Services, known as ACS, is a 100% black-owned and female-managed secretarial services company that was founded in 2017. The company provides services that support the management of corporate governance operations. Andisa Jekwa founded ACS following her stint as Thebe Group's Company Secretary. It was here that she saw an opportunity to build a stand-alone advisory business that would offer company secretarial services to a wide range of clients.

*"As a member of Thebe team, I witnessed firsthand the company's unwavering commitment to making a positive impact. My role as a steward for corporate governance at Thebe not only allowed me to contribute significantly but also inspired me to extend my influence into the entrepreneurial sphere, assisting other businesses in achieving comparable objectives. Now in our seventh year, ACS continues to thrive and expand its influence."*

**Andisa Jekwa**  
Founding and Managing Director  
- Andisa Corporate Services

## Ngoepe Law



Ngoepe Law is a highly specialised boutique Corporate & Commercial, Mergers & Acquisitions law firm that was established in August 2020. The company is a beneficiary of Thebe Investment Corporation's (Thebe) supplier development programme. As a beneficiary, they have identified an adjacent growth area in debt collections. To this end, they have established a new business unit using supplier development funding from Thebe.

*"I have been able to leverage my experience as a Partner in some of the leading corporate law firms here in South Africa and abroad to establish Ngoepe Law. On this journey, Thebe's support has been invaluable. As a business, we have identified debt collection services as a key growth area and have therefore decided to establish this as a new business unit - NLI Solutions - through the loan funding received from Thebe."*

**Bester Ngoepe**  
Founding Director  
- Ngoepe Law



# Focus area 4 Balancing our environmental risks

We strive to balance our environmental risks with our portfolio of investments with the need for reliable energy and other natural resources for sustained economic growth.

At Thebe Investment Corporation, our approach to environmental stewardship is embedded in our investment strategy and operational practices. Under Focus area 4, we are dedicated to balancing our environmental risks with proactive measures aimed at ensuring a sustainable future. Our goals are tailored to enhance our portfolio's positive impact on the environment while investing in innovation that drives sustainable value creation.

The table below highlights our strategic objectives and the outcomes we aim to achieve, illustrating our commitment to environmental sustainability in the long term:



Focus area 4	Objective 4.1	Objective 4.2	Objective 4.3
<b>Balancing our environmental risks</b>	<b>Manage portfolio towards positive environmental impact</b>	<b>Aim to invest in companies that leverage innovation and technology to drive sustainable value creation</b>	<b>Ensure responsible practices are employed to manage natural resources and minimisation of negative impact</b>
<b>Outcomes</b>	Increased holding or contribution of renewable energy investments  Reduction in the percentage contribution to equity value by assets with negative environmental impact	Increase in the percentage contribution to equity value by assets with positive environmental impact	Policy in place for minimum requirements for acceptable soil and water management





# Pioneering the future of sustainable farming

HarvestFresh Farms, formed three decades ago, has transformed itself into one of the leading growers, packers, processors and distributors of safe, quality and value-added fresh produce. As a Thebe investee company - with TIC owning 51% - HarvestFresh grows its produce mainly conventionally, but also hydroponically.

## Using hydroponics innovatively

Hydroponics, a method of growing plants without soil by using mineral nutrient solutions in an aqueous solvent, allows for more efficient water usage, reduced pesticide dependency, and the ability to grow produce in environments where traditional agriculture might not be viable.

This innovative approach not only ensures a steady supply of fresh produce but also aligns with global sustainability goals. This method also allows for more precise control over the growing environment, leading to healthier plants and higher yields.

**70% - 80%**

**Water savings by using hydroponics**

**90%**

**Average harvest yield**

**12ha vs 200ha**

**More effective land use**

*“Using hydroponics allows us to grow more food in less space, which is crucial as arable land becomes scarcer. It significantly reduces water usage, a vital benefit in the face of global water shortages, by delivering precise amounts of nutrients directly to the plants’ roots.*

*Moreover, hydroponics mitigates the impacts of climate change by enabling year-round production and minimising the need for harmful pesticides, which in turn protects biodiversity. By embracing hydroponics, we are paving the way for a resilient, efficient, and environmentally friendly food production system that meets the demands of our growing population.”*

**George Maxted**

*Co-founder and CEO - HarvestFresh Farms*



HarvestFresh Farms is leading the way in trialling hydroponics as a sustainable farming method.

## Innovating farming practices sustainably in 2023

Beyond the use of hydroponics, HarvestFresh set out to increase seedling volumes by 10% in 2023, adding 2.2 million seedlings. This aligns with their plans to boost sales, eliminate load shedding risks, and automate feeding and pH control systems. They are dedicated to producing top-quality seedlings through best practices and protocols.

- **Increasing farming yields:** Similarly, HarvestFresh also worked to increase farming yields by 10% and extend the growing season by two weeks, expecting higher turnover through improved fertiliser programmes, soil preparation, weed control, and crop rotation.
- **Innovative methods to grow leek seedlings:** The company also adopted innovative methods for growing leek seedlings, starting with soil analysis, unique fertilisation, and specialised machinery. The seedlings are sown, irrigated, and protected with plastic tunnels and covers, ready for harvest in 12 weeks with minimal labour. This efficient process ensures high-quality produce.

Additionally, the company is introducing High-Density Teen Leaf, a blend of European style lettuces with superior yield, shelf life, texture, and a sweeter flavour, set to be a standout product for HarvestFresh.

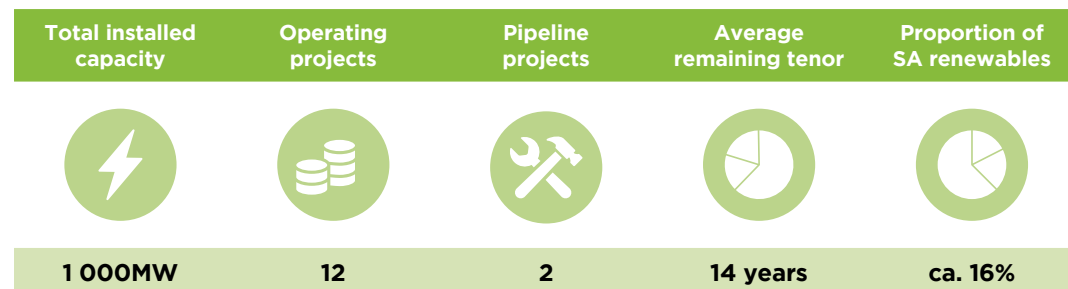


# Building renewable energy for Africa

Thebe Investment Corporation boasts a growing portfolio of renewable energy projects, under its energy business, Thebe Renewable Energy Holdings (TREN). This underscores Thebe's commitment to enhancing South Africa's energy mix and leverages Africa's abundant solar and wind resources. These projects are pivotal in addressing the pressing challenge of climate change by providing universal access to clean, affordable and sustainable energy solutions across Africa and the region.

## Changing the face of energy through TREN

TREN comprises South African power-generating renewable energy infrastructure linked to long-term offtake agreements. As a leading and experienced investor, Thebe is making great strides in establishing the TREN portfolio for long-term success in a fiercely competitive industry.



*"Our substantial energy investments highlight our commitment to continuous evolution while creating value for both our shareholders and stakeholders. Renewable energy and energy storage provide Thebe with a distinctive opportunity to diversify its portfolio in a way that delivers significant benefits to society and the environment.*

*This embodies the Thebe difference – we are not just investors; we are co-builders of our investee companies and pioneers in industries like renewable energy that will change the course of development on our continent."*

**Sunil Ramkillawan**  
CEO - Thebe Resources and Energy

## Pioneering a new approach to renewable energy

Thebe is involved in collaboratively setting up a green energy hybrid facility, supported by various local and international energy players and funding partners.

The Oya Energy Hybrid facility, a collaborative between G7 Renewable Energies and ENGIE Africa, supported by Thebe, Meadows Energy and Perpetua as empowerment partners, integrates solar, wind and storage technologies. Situated in the Karoo region between Ceres and Sutherland, spanning the Western and Northern Cape Provinces, the project achieved Preferred Bidder status in March 2021 and finalised legal arrangements by 30 August 2023.

This 128MW facility comprises:

- 86.4MW of wind power
- 155MW of solar photovoltaic arrays
- 94MW/242MW of lithium-iron-phosphate battery storage.

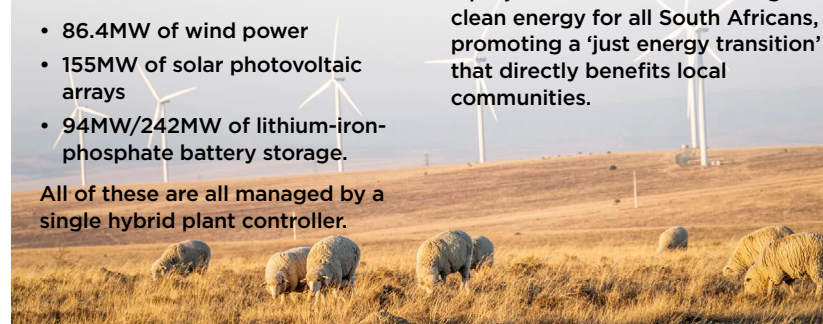
All of these are all managed by a single hybrid plant controller.



This facility's energy management system is distinguished by its innovative use of artificial intelligence and machine learning, optimising performance across fluctuating solar and wind resources, intricate battery storage systems, grid complexities, and evolving demands in South Africa.

The project aims to provide backup power to 240 000 to 320 000 households and offers essential grid stabilisation services such as voltage and frequency control.

As one of Africa's largest hybrid energy ventures, this facility is notable for its technology mix, scale, and competitive pricing, closely aligning with South Africa's economic development goals. Thebe takes pride in investing in a project dedicated to ensuring clean energy for all South Africans, promoting a 'just energy transition' that directly benefits local communities.





# Focus area 5 Incorporating ESG and sustainability in our investments

We are active owners and incorporate ESG issues, in addition to sustained profitable growth, into our investment considerations, decision and management processes.

At Thebe Investment Corporation, we understand that long-term value creation is intertwined with sustainable practices. In Focus area 5, we commit to embedding Environmental, Social, and Governance (ESG) considerations into all aspects of our investment processes. This approach not only enhances the sustainability of our investments, but also aligns with global efforts to promote ethical and responsible business practices.

The table below outlines our objectives for integrating ESG principles and the expected outcomes, demonstrating our leadership in fostering a sustainable future through our investment decisions:



Focus area 5	Objective 5.1		Objective 5.2
Incorporating ESG and sustainability in our investments	Incorporate ESG issues in investment consideration, decision and management processes.		Promote and influence industry through our communication on ESG matters
Outcomes	All portfolio companies under management have ESG issues incorporated in their management processes	Elevate/Embed/Integrate ESG matters in investment consideration and decision-making processes Attract ESG focused/mandated capital	Optimised portfolio towards a net positive contribution to ESG/sustainability



# Turning waste into opportunity

Timrite has implemented a range of initiatives to add value and enhance the efficiency of its operations. This involves the production of several products, like biochar and wood vinegar, which will set the company apart from other timber manufacturers.

## Biochar - A sustainable solution for waste management and soil health

Through its commitment to effective waste management, Timrite is exploring the production of biochar, a by-product of wood and other related waste types. This process not only aids in the efficient disposal and management of waste, but also significantly enhances soil health and carbon sequestration. By incorporating biochar into its operations, Timrite aims to drive substantial environmental and agricultural benefits.

## The expected growth of the global biochar market by 2026 (according to Global Industry Analysts Inc or GIA)

### 25% - 50%

The increase in yield rate that biochar can help increase annually

### \$2 billion

The expected growth of the global biochar market by 2026 (according to Global Industry Analysts Inc or GIA)

*"We are always looking for the best possible way to achieve not only environmental sustainability but also do so in a way that generates added value for our product lines and customers.*

*By exploring added value initiatives like biochar and wood vinegar production, we are committed to pioneering innovative solutions that address environmental challenges and deliver long-term benefits to our stakeholders."*

**Gustav Venter**  
Mill Executive - Timrite



Timrite is working on two exciting value-adding initiatives - the production of wood vinegar and biochar

## Wood vinegar - an emerging opportunity

As one of the leading timber-based product suppliers for South Africa's deep-level mines, Timrite is also exploring producing wood vinegar as a value-added product. In the agricultural sector, wood vinegar acts as a catalyst in the breakdown of water particles, this allows for better absorption of nutrients by plants and animals.

### 50%

Wood vinegar can reduce the need for chemicals in the agricultural sector by 50%

- **Environmental impact:** Wood vinegar is a natural by-product of timber processing, making use of materials that might otherwise go to waste.
- **Agricultural use:** It can be used as a natural pesticide and soil conditioner, promoting healthier and more sustainable farming practices.
- **Job creation:** By creating a new product, Timrite can open up additional revenue streams, contributing to economic growth and job creation.
- **Sustainable practices:** This initiative aligns with global trends towards sustainability, reducing reliance on synthetic chemicals in agriculture and supporting eco-friendly practices.

By exploring wood vinegar production, Timrite is not only enhancing its product portfolio but is also contributing positively to the environment and economy.



# Stimulating livelihoods by embedding sustainability

Thebe Investment Corporation continues to work with its investee companies to embed sustainability practices into its core business processes. This has been done with the view that the sustained growth of businesses within Thebe, will only be achieved through a laser focus on doing things differently.

## Sustaining livelihoods innovatively

Thebe is an investor in weGrow, a company in Mpumalanga involved in the supply and production of yellow maize and soya beans. weGrow is also involved in the market for the farming, production and supply of piggeries and pork. weGrow's piggery design has been built to international standards and is a leading example of how piggery waste can be turned into organic manure (used in maize and soya farms).

A core part of weGrow's focus is to integrate, as far as possible, local communities by way of economic opportunities. This saw the company grow its number of job creation beneficiaries to 40 people, predominantly women and youth in impoverished communities.

*"We believe that sustainable business is good business. The countless examples of innovative investee companies we have in our portfolio that are finding new ways of delivering value for the environment and society are proof of this belief."*

*"From companies like Timrite, weGrow, Harvest Fresh, CHANGE Agriculture, Empact and many others within the Thebe stable, we are leading the way in stimulating livelihoods by embedding sustainability."*

**Jacques de Wet**  
CEO of Thebe Food and Services

## R10m

Fertiliser costs saved

## 40

Job creation beneficiaries (youth and women)





# Developing micro-enterprises in host communities through Timrite

Timrite is the largest supplier of timber-based products supporting South Africa's deep-level mines and is committed to fostering economic development in its host communities. By developing micro-enterprises, Timrite aims to empower host communities and contribute to sustainable community growth.

## Generating shared value with our communities

In the gold mining sector, Timrite actively targets the bedrock market, which generates a saving of 10% to 15% for the mines. This strategy not only helps Timrite retain its business as a Level 1 Broad-Based Black Economic Empowerment supplier, but also facilitates the creation of toll manufacturing businesses involving local community members. This initiative is being implemented at Harmony Moab and Tau Lekoa mines, where Timrite's collaboration with local stakeholders helps to build economic resilience and create job opportunities.

## 10% - 15%

Savings generated for gold mining clients

In the platinum sector, Timrite employs a distributor model in partnership with selected community members who are mine-approved vendors. This approach targets markets, including timber bags, temporary support poles and elongates. Additionally, Timrite diversifies its platinum business into structural, building, fencing and retail sectors. By doing so, Timrite ensures that its community partners are integrated into the supply chain, promoting local entrepreneurship and economic diversification.

*"At Timrite, we are committed to fostering economic growth in our host communities by developing micro-enterprises and empowering local entrepreneurs. Through our strategic initiatives in both gold and platinum sectors, we are creating sustainable business opportunities that benefit both the community and our operations."*

MS Pienaar  
COO - Timrite



Timrite is committed to growing micro-enterprises in its host communities of operation.

## Siphiwe and Neo Projects (Pty) Ltd's story of growth through a partnership with Timrite

Siphiwe and Neo Projects (Pty) Ltd is a micro-enterprise in the Masilonyana district in the Free State. Through its localised enterprise supplier development programme, Timrite supported the development of this enterprise by enabling it to manufacture and supply charging sticks to Harmony Gold's Joel mine on contract.

The business will grow in stages to later include booms, pallet manufacture, selling industrial timber, manufacture of roof trusses and underground timber ladders.

**Timrite's contribution:** Timrite contributed all equipment and machinery and will be the main source of all raw materials for the manufacture of products as well as provide technical support on product development and business management.

**Harmony Gold's contribution:** Harmony has supplied the business with a business site with offices and workshop space. They will also provide free water and electricity.

Harmony has concluded a contract with the enterprise for the sole supply of all charging sticks and broom handles with the opportunity to expand the business into the supply of underground timber ladders, ventilation doors, gum planks and industrial pallets. Both Harmony and Timrite will commit resources to assist with all training and development requirements related to managing the business.

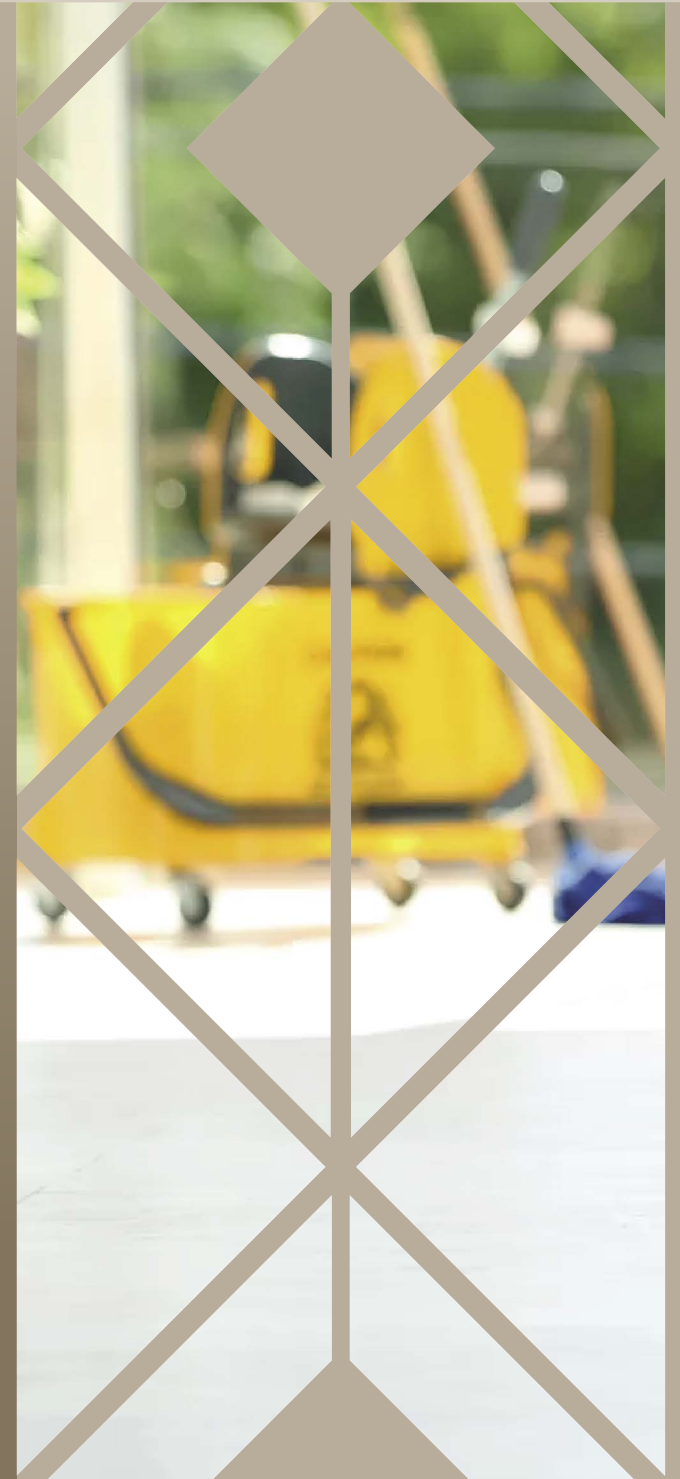


# 7

## Stakeholder engagement

How we create value for our  
stakeholders

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# How we create value for our stakeholders

The impact of our business is wide-reaching and affects different stakeholder groups. Thebe places great importance on considering the needs of all our stakeholders in our decision-making and actively encourage their participation. This approach helps us build strong, trust-based relationships with our stakeholders, which in turn contributes to the sustainability and success of our business.

## How we have engaged in FY2024



### Shareholders

Our shareholders are institutional and individual investors. We provide them with honest and transparent information on our strategy, outlook, and business performance.

We generate value for them through net economic value appreciation and a progressive dividend, where possible.

**Performance updates:** Regular performance updates during major business milestones, acquisitions, and product launches to keep shareholders apprised of our progress and achievements.

- **Transparency in communication:** Ensured all communication channels were open and responsive, with dedicated investor relations personnel available to address shareholder inquiries promptly.
- **Sustainability initiatives:** Highlighted our commitment to sustainability through dedicated reports and presentations, aligning our business strategies with shareholder values.



### Employees

Thebe employs highly skilled investment professionals who strive for excellence and drive value creation for the business and its investee companies.

We are working to build a more diverse workforce and inclusive workplace, where care is taken to protect individuals' wellbeing.

- **Thebe Conference:** Annual event showcasing company results and fostering team unity.
- **Thought Leadership Sessions:** Quarterly events on topics relevant to Thebe and investee companies.
- **Thebe Ya Mosadi:** Annual women empowerment event during Women's Month.
- **Thebe Esquire:** annual event for empowering men and recognising their positive contribution to the group.
- **Employee Surveys:** Regular feedback surveys to improve workplace practices.
- **Professional Development:** Training workshops, certification programmes, and leadership courses.
- **Wellbeing Initiatives:** Comprehensive programmes for physical, mental, and emotional health.
- **Thebe Excellence Awards:** Annual event that recognises and rewards employee excellence across the group.



### Lenders and providers of capital

The provision of capital, at competitive and attractive terms, is key to Thebe. We engage with a variety of lenders and providers of capital who align with our values and ambition.

**Frequent engagements:** Provided regular updates on our financial performance with lenders and providers of capital.

- **Financial reports:** Shared detailed financial reports and projections to keep lenders informed.
- **ESG considerations:** Emphasised our commitment to ESG principles in our investment decisions.
- **Risk management:** Discussed risk management strategies and mitigations plans.



### Suppliers

We have a broad range of suppliers, mainly professional service providers. We strive to work with like-minded businesses that are aligned with our values.

- **Supplier development:** Built strong, long-term relationships with like-minded service providers while supporting their development.
- **Fair payment practices:** Ensured timely and fair payment practices to support suppliers' cash flow and financial stability.
- **Ethical sourcing practices:** Enforced strict ethical sourcing policies to prevent exploitation and ensure fair labour practices.



### Communities

Enshrined in our purpose is to build communities for the long term and share the enduring value we create. This inspires us to manage our investments in an economically and socially useful way to benefit the communities.

- **Thebe Foundation-Led initiatives:** Most community engagement is done through the foundation, which focuses on sustainable development projects and partnerships with local organisations to address community needs.
- **Annual Community Outreach Programme:** In November, TIC staff participated in the annual community outreach programme, providing hands-on support and resources to various community projects.
- **Stakeholder Consultations:** Regularly held stakeholder consultations to understand community needs and feedback.





# 8

## How we are governed

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*“Good governance is the cornerstone of sustainable success in the investment management industry. At Thebe, we understand that adhering to strong governance principles not only builds trust with our stakeholders, but secures our the long-term resilience.”*

*Thandeka Zondi – Chairperson of the Audit and Risk Committee and Independent Non-Executive Director*

## Message from the Chairperson of the Audit and Risk Committee

Thandeka Zondi – Chairperson of the Audit and Risk Committee

On behalf of the Audit and Risk Committee, I am pleased to share how our strong governance principles support Thebe's continued success. Our commitment to good governance goes beyond compliance: it is at the core of our operations, ensuring transparency, accountability, and ethical conduct. These principles guide our business decisions and are crucial in delivering consistent, sustainable value to all our stakeholders.

### The simplest approach to ensure the highest levels of governance

Our governance practices are designed with a clear purpose: to assure our stakeholders of our unwavering commitment to the highest levels of governance. We recognise that the trust placed in us by our stakeholders is paramount.

A cornerstone of our governance framework is the leadership of our Audit and Risk Committee, which is chaired by me as an independent non-executive director. This structure is a testament to our commitment to maintaining the highest standards of objectivity and accountability in our oversight processes.

The decision to appoint an independent non-executive director as the Chairperson of our Audit Committee is a deliberate move to exceed the usual compliance approach. This ensures an additional layer of impartial scrutiny, reinforcing our dedication to transparency and ethical governance.

Our risk management processes have been refined to address both existing and emerging risks effectively. The committee has ensured that these processes are comprehensive and robust, enabling us to navigate the fine line required by our investment decisions and operational demands.

### The Audit and Risk Committee's year in review

Over the past year, Thebe Investment Corporation's Audit and Risk Committee has played a pivotal role in steering the organisation through a landscape marked by challenging economic conditions and evolving financial sustainability demands.

The committee has been instrumental in balancing the need to optimise resources while maintaining stringent governance standards. This balancing act involved a strategic evaluation of our financial practices and risk management processes, ensuring they are resilient and adaptive to the current economic climate.

### Shift in approach: from consolidation to valuation

Over the past two years, Thebe Investment Corporation has shifted its focus from a strategy centered on consolidation to one that prioritises ongoing assessment of the intrinsic value within our portfolio. This change underlines our dedication to proactive governance, significantly improving the transparency and efficacy of our operations. This new approach allows stakeholders to recognise more clearly

the full value of our assets and business ventures, thereby strengthening their confidence in our financial stability and strategic direction.

A key focus for Thebe Investment Corporation has been to foster an evaluative mindset throughout our organisation. As we have integrated this approach at various levels, we have established a culture that prioritises continuous improvement and thorough valuation. This shift not only enhances our accountability, but also significantly boosts overall performance.

### Looking ahead

As we move into an era marked by rapid changes and challenges, our commitment to embedding sustainability in our operations and delivering shared value is more crucial than ever. Thebe Investment Corporation is built on a foundation that enables us to adapt and thrive in fluctuating environments.

Our well-established policies and procedures ensure that we continue to lead in sustainability, reflecting our commitment to not just meet, but exceed regulatory standards. The proactive efforts of our management team to enhance our performance are central to our strategy, demonstrating the unique impact and value of our investments.

**Thandeka Zondi**  
Chairperson of Audit and Risk Committee



# How we are governed

*“Thebe believes that good governance is essential to the Group’s long-term success and sustainability. Our governance approach continues to evolve, in line with our growth as a business and commitment to accountability and integrity.”*

Thebe has stakeholders that demand the highest corporate governance standards. Our management team is responsible for executing the strategy, while our Board plays a vital role in overseeing the implementation of the strategy and setting Thebe on track for long-term success.

## How our Board functions

The Thebe Board of Directors (the Board) has ultimate oversight and accountability over the policies and operational controls of the company. The Board exercises oversight and ultimate control over Thebe. It is responsible for setting and steering the strategic direction and culture of the group. The Board approves the process to ensure an appropriate balance of knowledge, skills, experience, diversity, and independence on the Board. This ensures it can objectively and effectively discharge its governance role and responsibilities, and the necessary systems and processes are in place to enable the group to achieve its key deliverables sustainably.

## Board Statistics

8

Board members

4

Board committees

94%

Average attendance at Board Meetings

25% women

Representation of women on the Board

## Key responsibilities of the Board

The Board is responsible for establishing and maintaining an effective risk management framework and associated controls within Thebe.

The Board considers sustainability as a business opportunity that guides strategy formulation.



The Board regularly reviews the strategy to ensure sustainable outcomes and alignment with the interests of stakeholders.

The Board exercises ongoing oversight of stakeholder relationship management, and in particular, oversees: identifying material stakeholders and measuring the quality of the relationships.



## How we are governed continued

### Thebe Investment Corporation's Governance Framework

As part of its commitment to good corporate governance, Thebe's governance framework promotes the primary characteristics of good governance identified by the *King Report on Corporate Governance for South Africa*, namely discipline, independence, transparency, accountability, responsibility, fairness, and social responsibility.

As a good corporate citizen, Thebe complies with all relevant laws, regulations, and codes of best practice, including the *Code of Corporate Practices and Conduct* contained within the *King Report 2002* and the company meets all statutory and regulatory reporting requirements.

### Our governance framework

Our governance framework supports robust decision-making by providing a clear framework of delegations and responsibilities within which decisions can be made to deliver our strategy. Our framework also ensures that decisions remain within the risks identified by the Board and are managed with appropriate Board oversight.

### Board of Thebe Investment Corporation

The Board is collectively responsible for the long-term sustainable success of the Company.

#### Chairperson

Leads the Board and, in consultation with the Group CEO, sets the agenda.

Creates the conditions for overall board and individual director effectiveness, both inside and outside of the boardroom.

#### Non-Executive Directors (NEDs)

Our Non-Executive Directors provide essential oversight and accountability. By constructively challenging the executive's strategies and decisions, NEDs actively contribute to shaping the strategic direction of the company.

#### Independent Non-Executive Directors (INEDs)

Our Independent Non-Executive Directors (INEDs) play a crucial role in maintaining the integrity of our governance framework. Their independence ensures that they can impartially hold the executive team accountable.

#### Group Chief Executive Officer

The Thebe Board has entrusted the Group Chief Executive Officer with the day-to-day management of the company, along with the crucial task of executing our strategic objectives.

This delegation of authority enables the CEO to oversee the operational aspects of our business, ensuring that each department aligns with and actively contributes to our overarching strategic goals.

The CEO's leadership is pivotal in driving innovation, steering corporate policy, and ensuring that the company not only meets but also exceeds its performance targets.

### Committees of the Board

Each Committee Chairperson reports to the Board on key discussion topics and decisions taken after each meeting.

#### Audit and Risk Committee

Responsible for oversight of the Group's financial statements and reporting and the adequacy and effectiveness of the internal control environment, including financial control. Oversees the relationship with the external auditor and the activities of the Internal Audit function.

Provides guidance to the Board on the Group's risk appetite, advice on what constitutes acceptable risk-taking and oversight of the Group's risk management policies and procedures.

#### Investment Committee (IC)

Responsible for setting and assessing the investment parameters of Thebe, aligned to its investment strategy and approach.

The Investment Committee also assesses the performance of the investment portfolio.

#### Social, Ethics and Transformation Committee (SETCO)

Responsible for setting and assessing parameters for Thebe's sustainability and broader ESG (Environment, Social and Governance) performance.

The SETCO is also responsible for ensuring that Thebe remains responsive to its communities and stakeholders.

#### Remuneration Committee (RemCo)

Responsible for overseeing the remuneration of executive directors and other designated individuals, as well as the Group's remuneration policy.

### Board and Committee Charters

The Board delegates some of its functional responsibilities to its committees via clear mandates. The committees report to the Board regularly, as a collective, on their respective charters and deliverables.

Committee charters and work plans are reviewed annually. The Board discharges its responsibilities and control of Thebe as outlined in the Board Charter and Memorandum of Incorporation.

The Board Charter guides the Board; outlining the process for policies and practices related to Board matters such as dealing in securities, declaration of conflicts of interest, and those matters delegated to management.



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