



SOUTHEY HOLDINGS

INVESTORS IN EXCELLENCE

SUSTAINABILITY REPORT 2025

www.southeyholdings.com

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SUSTAINABILITY IN EVERY PAGE

This report has been printed on recycled paper.

Our commitment to sustainability and the three Rs goes beyond words – it's in the very pages of this report. Printed on recycled paper, this report reflects our promise to make responsible choices at every step.



A photograph of a wind farm in a lush green field. Two large white wind turbines with three blades each are visible in the middle ground. The blades have red tips. The field is filled with tall, green grass. The sky is blue with scattered white clouds. A red rectangular box is overlaid on the right side of the image, containing white text.

Southey Holdings is a South African multinational industrial holding company offering products and services in the **industrial contracting, marine engineering and manufacturing sectors.**



ABOUT US

Founded in 1939, Southey Holdings is a South African multinational industrial holding company, offering a wide range of products and services in the areas of marine engineering, manufacturing and industrial contracting.

Our goal is to continually expand our product and service offerings through both organic growth and strategic acquisitions. By targeting local and select niche international markets, we leverage a well-established and diversified business model that ensures long-term resilience.

All companies within our group continuously strive to achieve market leadership in their respective sectors, boasting strong brand identities, deep experience, strong management teams and a record of quality and safety.

Our African footprint has expanded significantly over the past few years and continues to grow. A key component of our business model is the integration of diversified growth assets capable of performing across varying business and economic cycles, enhancing resilience and long-term value creation.

We are represented by highly entrepreneurial, decentralised business units, with an intense focus on delivering our world-class expertise to our growing customer network.

Our culture is underpinned by an ethos of good corporate citizenship, with all our stakeholders in mind. We believe in being reputable, responsive, engaging and committed to excellence in every aspect.

As the Group continues to grow globally, sustainability remains a strategic priority. We are committed to making a positive impact through our environmental, social and governance-led (ESG) strategy, which focuses on serving our customers, delivering a more sustainable future, supporting our environment and communities and helping elevate standards of living.

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ESG REPORTING

The growing importance of Sustainability Reports is due to the fact that investors and other stakeholders are calling on companies to disclose more information about their sustainability activities and environmental, social and governance strategies.

From customers to employees to investors, more people are choosing companies that prioritise ESG concerns.

We recognise and acknowledge the significance of ESG reporting as we continuously consider a wide array of environmental, economic and social factors when making business decisions.

ESG reporting enables us at Southey to focus on improving our corporate reputation, build consumer confidence, increase innovation, improve risk management and increase transparency.

SOUTHEY CONTRIBUTES TO THE UN SUSTAINABLE DEVELOPMENT GOALS



By aligning the business with these Sustainable Development Goals (SDGs), Southey has been able to contribute to the achievement of these goals:



**NO
POVERTY**

Linked initiative(s):

- 1 404 new employees hired
- Skills development and small enterprise growth
- Appointment of local Coega SMMEs as subcontractors on the Coega drillship refit project
- Funding of community-based CSI initiatives

Nature of contribution:

Supports income generation, employment creation and inclusive economic participation through job creation, skills development and support of local SMMEs.



**QUALITY
EDUCATION**

Linked initiative(s):

- Textbooks donated to high school learners at Coega (CSI)
- Breadline Africa – Zimele Initiative (CSI)
- Apprentice programmes
- R357k spent on the advancement of education in local communities
- Thula Baba Smart Aunties Programme contribution (CSI)

Nature of contribution:

Strengthens early childhood development and school readiness through caregiver support and the provision of safe, compliant educational infrastructure.



**ZERO
HUNGER**

Linked initiative(s):

- R528k donated towards children's homes and orphanages
- Introduction of vegetable garden at Vulumzi Secondary School

Nature of contribution:

Contributes to food security and improved nutrition for vulnerable children through direct support to care facilities and community food initiatives.



**GENDER
EQUALITY**

Linked initiative(s):

- 17% of women at management level
- Thula Baba Smart Aunties programme

Nature of contribution:

Empowers women through training, mentorship and leadership roles within community-based support programmes. Promoting equal opportunities and fair representation in leadership.



GOOD HEALTH AND WELL-BEING

Linked initiative(s):

- R528k donated towards children's homes and orphanages
- Employee wellness initiatives such as wellness day campaigns
- Safety awareness initiatives (toolbox talks) implemented
- Thula Baba Smart Aunties Programme (CSI)

Nature of contribution:

Supports maternal well-being, early childhood development and safe learning environments that contribute to improved health and well-being outcomes.



REDUCED INEQUALITIES

Linked initiative(s):

- Operating within new employment equity requirements to reduce inequality and contribute to BBBEE
- Hiring of locals in under-served communities, e.g. 76.5% of the labour force for the Coega refit project hired from the community

Nature of contribution:

Promotes inclusive economic participation through employment equity, local hiring and increased access to economic opportunities in under-resourced communities.



DECENT WORK AND ECONOMIC GROWTH

Linked initiative(s):

- R&D learnership programmes
- 14 employees studying through Southey sponsorships
- R805.2 million distributed to employees
- R204.5 million paid in tax
- Safety awareness initiatives (toolbox talks) implemented
- Retention of major contracts across divisions

Nature of contribution:

Supports job retention, stable economic activity and value creation across operations and the supply chain.



INDUSTRY, INNOVATION AND INFRASTRUCTURE

Linked initiative(s):

- Maintenance of key infrastructure by contracting divisions
- Coega drillship refit project
- Continuous R&D efforts to support innovative products and solutions
- UHP water jetting – Cape Town

Nature of contribution:

Promotes innovative, low-impact construction techniques and supports resilient infrastructure development.



CLEAN WATER AND SANITATION

Linked initiative(s):

- Borehole installation – ISO Moulders

Nature of contribution:

Improves water stewardship and operational water security by reducing reliance on municipal water supply and supporting sustainable water use.



AFFORDABLE AND CLEAN ENERGY

Linked initiative(s):

- Glass doors and frames sourced with low-energy components
- Solar panels installation

Nature of contribution:

Supports energy efficiency and the transition to cleaner energy sources through the use of low-energy components, renewable energy and water-energy efficiency initiatives.



RESPONSIBLE CONSUMPTION AND PRODUCTION

Linked initiative(s):

- Waste minimisation initiatives including: steel optimisation and nesting, recycling of metal offcuts and scrap, ongoing process improvements
- Responsible disposal of waste
- Borehole installation – ISO Moulders

Nature of contribution:

Reduces waste to landfill, improves resource efficiency and supports responsible water use.



CLIMATE ACTION

Linked initiative(s):

- Manufacture and certification of cryogenics vessels used for Carbon Capture and reduction in UHP water jetting – Cape Town

Nature of contribution:

Supports mitigation of climate change through emissions reduction. Limits carbon-intensive material use, improves resource efficiency and supports environmental sustainability objectives.

ENVIRONMENTAL

The Group embeds environmental sustainability into the full product lifecycle, from initial design to material procurement.

We drive efficiency through continuous process improvements that minimise material waste. Our divisions remain committed to innovation that enhances efficiency and competitiveness, ensuring we meet the evolving sustainability requirements of our customers.



Southey Divisions are ISO Certified

Southey divisions' International Organisation for Standardisation (ISO) certifications validate our commitment to adhering to global standards of quality assurance, manufacturing and business, assisting us in establishing credibility and trust among our consumers, clients and other business partners.

ISO 14001:2015 specifies the requirements for an environmental management system that an organisation can use to enhance its environmental performance. ISO 14001:2015 is intended for use by an organisation seeking to manage its environmental responsibilities in a systematic manner that contributes to the environmental pillar of sustainability.



Environmental Impact

Climate change remains a defining issue for businesses and governments globally. Southey recognises that some of the divisions that drive our business operate in emissions-intensive industries and therefore accepts responsibility for managing and reducing those emissions over time, while maintaining our competitiveness and ability to deliver the quality services our customers expect.

Our environmental priorities include reducing our operational impact by minimising energy and water use, producing less waste and transitioning to renewable sources of energy. During the reporting period, further investments in solar power infrastructure, as well as water-saving initiatives, support these objectives.

Waste reduction remains a core focus area in the implementation of process improvements. Our divisions have engaged in various waste-reduction strategies, including the recycling of steel offcuts generated by polystyrene during fabrication processes. Additional investments were made towards upgrades of dust extraction and fallout-capture systems, as well as improvements to vacuum systems to enhance environmental control. Divisions are engaging in initiatives to review power usage across facilities and identify improvement areas. These investments support improved efficiency, reduced waste, better environmental control over time and support our objectives of achieving carbon neutrality.

By engineering high-performance solutions, such as vacuum-insulated hydrogen vessels and low-global warming potential (GWP) refrigeration systems, we minimise the indirect carbon footprint of our clients' supply chains. This integrated approach allows the Group to address the full lifecycle of our products, from reducing raw material waste in our factories to managing volatile emissions and hazardous waste on-site, ensuring a balanced commitment to ecological stewardship across all operational pillars.

We aim to reduce our operational and environmental impact by promoting a circular economy, through minimising the generation of waste and adhering to the three Rs: Reduce, Reuse and Recycle.





Reduce

Raw Materials/Paper

Recycle factory waste, maximise energy efficiency and reduce use of hazardous materials.

Carbon/CO₂ Capture

Capture CO₂ emissions to reduce the negative effect of this greenhouse gas.

Electricity

Energy-saving lights and use of solar panels.

Water

Save and reduce intensity, as well as harvesting of rainwater. Use of borehole water.



Reuse

Our old IT equipment is donated to a third party whereby it is either stripped or used for spare parts.



Recycle

At ISO Moulders, waste and offcuts are ground up and put back into the production process. Even dust and fines are melted into high-density blocks or upcycled into uses like picture frame extrusions.

GasCon recycles 60% of all solid waste, i.e. paper, metal and electronic equipment.

Southey Contracting Gauteng annually recycles its electronic waste.

Environmental Statistics

473 MWh

of energy saved

847 307 kgs

of solid waste recycled

3 928 kgs

solids re-used by third party.

21 813 m³

of water saved



COMPANY INITIATIVES

We have established a diverse and resilient industrial engineering and manufacturing base within the Southey Group, becoming the best supplier in the industry nationally and, with GasCon, internationally.

Energy Efficiency Products

A well-designed and developed cold chain is nothing short of a game-changer; it is fundamental to achieve access to food and healthcare. Aligning and greening the cold-chain activities and processes can not only prevent post-harvest food losses and reduce greenhouse gas emissions, but also allow for energy saving.

Rudnev and Concord Refrigeration are pursuing green/clean energy solutions to create a more sustainable and effective cold chain across the African continent rather than traditional approaches, which are usually grid connected or fossil-fuel based.

Concord is currently placing a great deal of focus into energy savings and ways to reduce consumption, using brushless DC compressors and variable speed drives to complement their slimmer, more efficient cabinets and their plastic doors. This includes R&D efforts towards using the HEOS water-loop system.

The division is currently working towards low multi-deck cabinets fitted with polyethylene terephthalate (PET) doors and HEOS R290 refrigeration systems. This is a self-contained system using natural refrigerants such as CO₂ and R290 – a refrigerant-grade propane that is used as an alternative to R22 and R502 in low, medium and high-temperature refrigeration and air-conditioning applications. It has lower Global Warming Potential (GWP) than R22, R134a and R404A. Carbon dioxide (CO₂) refrigeration systems are more environmentally friendly and are energy efficient.

By fitting PET doors and the HEOS 1 R290 refrigeration system into the low multi-deck cabinet, we have managed to reduce the consumption of the cabinet from 250 watts per foot to under 100 watts per foot. Not only do we see a huge energy saving, but the system also affords us the opportunity to switch from conventional Freon-based refrigerants to R290.

Project Poseidon

GasCon served as a partner on Project Poseidon, which is a large-scale carbon capture and storage (CCS) initiative led by Perenco UK. GasCon manufactured and certified cryogenics vessels used for carbon capture and reduction of the rig's carbon footprint. Project Poseidon serves as a flagship example of innovation and transition. It highlights how the Group (and its partners) is leveraging legacy oil and gas expertise to build the "green infrastructure" of the future.

Eco-Friendly Substitutes

ISO Moulders is the sole license holder in Southern Africa for the internationally patented Strang System – saddles for the containerising of heavy and bulky loads.

The Strang System offers all-round replacement of timber dunnage/pallets and is superior in preventing movement and damage to the cargo in transit. The system is easy to use, saving time in loading (a 20 ft container every 8.5 minutes) and does not require any toxic fumigation.

Polystyrene is 100% recyclable plastic and all waste in the production process is reused in the system or upcycled to another value stream.

ISO Moulders accepted EPS scrap from its customers, making it net negative in terms of EPS too.

R46.25 million

Spent on enterprise development partners

R204.5 million

Contribution to fiscus

R1.7 billion

Spent on locally sourced goods and services

R9.31 million

Spent on municipal utilities

SOCIAL

Contribution to the SA Economy

The Group contributes to economic and social value creation through its ongoing operations, which support sustained employment, skills development and economic activity across its operating regions. Through the retention of major long-term contracts, the Company continues to make a meaningful contribution to the broader economy. Through partnerships with enterprise development and local supplier initiatives, the Group promotes inclusive economic participation and strengthens the resilience of small and emerging businesses. The work performed by our divisions supports key industries, such as the oil and gas, power generation, industrial and ship repair industries, and contributes overall to the economy in which we operate. Collectively, these activities contribute to sustainability efforts by supporting livelihoods, community stability and long-term socio-economic development.

Special Oil and Gas Project – 2025

In 2025, Dormac undertook a very large special periodic survey and refit project in the Port of Coega of a state-of-the-art, sixth-generation ultra-deepwater drillship for a major international client. Through this project, Dormac brought foreign investment, job creation and skills development to the local Coega

community, as well as uplifting the communities through Coega-focused corporate social investment (CSI) programmes, in partnership with the Coega Development Corporation and local ward councillors. The project produced employment of 157 000 man hours, with a peak labour force of 460 people employed. The Coega community and surrounds supplied 76.5% of this labour – a significant local content achievement.

The project also created the opportunity for on-site training in HSE, welding, scaffolding and painting. Its methodology to remove the vessel thrusters in-water was the first of its kind in African waters, bringing technological advancement to the region. Dormac engaged with the Maritime Business Chamber to appoint local Coega small, medium and micro enterprises (SMMEs) as vital subcontractors on this project, with the majority of the project spend being through SMMEs. Dormac, through the Maritime Business Chamber, arranged site visits for SMMEs not involved with the project to also learn and understand the complexity of a contract of this nature for an international client.

Overall, the project brought close to a €15 million investment in the local region.

People

People are our greatest asset and as enablers of our business, we endeavour to ensure that they are protected and empowered. We strive to encourage our people to maximise their full potential and achieve their best every day, valuing their contributions and triumphs created together.

Transformational KPIs



88%

Black employees



78%

Black females



17%

Women at management level



7

Physically disadvantaged employees

Employment KPIs



4 047

Workforce members (including labour brokers)



1 404

New employees



R4.68 million

Spent on skills development and training



14

Employees studying through Southey sponsorships



2 458

Learners received skills development through various training and learnership initiatives



R805.2 million

Additional staff benefits



29

Certifications/studies/courses completed in FY2025



32

Lost time injuries

0.71

Lost time frequency rate

36

Minor injuries

1

Fatality*

9.07 million

Total hours worked
over the period

66

Safety officers employed
for the period

*The fatality relates to an employee who was found ingested by the grinder blades into the feed bin mouth. The machine was decommissioned in October 2024.

The Group deeply regrets the fatal incident recorded during the reporting period and continues to strengthen its safety culture, controls and preventative measures across all operations.

Safety and Wellness

In line with people being our greatest asset, we recognise the need to prioritise the safety and well-being of employees. Southey has dedicated safety officers at both a divisional and project-based level to ensure that adequate safety measures are in place to protect the safety of our employees. This includes ensuring that ongoing safety training takes place. Southey divisions are ISO Certified and comply with ISO 45001. ISO 45001:2018 specifies requirements for an occupational health and safety (OH&S) management system, and gives guidance for its use, to enable organisations to provide safe and healthy workplaces by preventing work-related injury and ill health, as well as by proactively improving its OH&S performance.

During the reporting period, the Group implemented several initiatives to strengthen workplace safety and employee well-being. These included enhanced safety equipment, portable electrical equipment inspections, ongoing safety training through toolbox talks and the rollout of a safety, health and environment (SHE) induction video to promote consistent safety awareness. Additional well-being initiatives included wellness, alcohol awareness and defensive driving campaigns.

Engineering controls, such as the installation of “dead man’s” switches on shot blaster equipment and the use of Kevlar gloves for high-risk tasks, further supported incident prevention and a strong safety culture.

1 367

Skills training and
development

12

Learnerships completed

60

Employees underwent
administrative training

976

Other training

43

Employees underwent
artisan training

2 458

Total training initiatives

Our Contribution to Upskilling

The Group’s training initiatives play a vital role in developing skilled and job-ready individuals, while strengthening the Company’s future workforce at the same time. Our training programmes ensure that we have a sustainable pipeline of competent employees, who are aligned with the Company’s standards and values.

BBBEE

In line with the decentralised operations model, every division acquires its own BBBEE rating, which varies between level 1 and level 4.

Transformation

The Southey Group values transformation, which revolves around the following key areas:

- Employment
- Job creation
- Income equality
- Diversity in management
- Skills development/ learnerships
- Social justice



Skills Development and Training

Apprenticeship – Centre of Specialisation

Dormac recognises the value of interns as part of its youth placement programme, aimed at identifying potential employees and fast-tracking them as the Company's future supervisory and management group. Interns are an important source of future placements and add huge value with their modern ideas, while in return we provide them with the opportunity to gain valuable experience under a skilled and experienced mentor.

Dormac partnered with various Centres of Specialisation (TVET Colleges) that were identified to focus on specific trades, with dedicated and specially trained lecturers. Students attended the various Colleges for a period of four months at a time, with the balance of the year at Dormac for their practical training.

Umfolozi College, Richards Bay:



Rigger:

7 Black men
1 Black woman



Millwright:

2 Black women
3 Black men

Apprenticeship – TES Employees

Dormac afforded TES employees, who have been working there for many years already as assistants and semi-skilled workers, the opportunity to join its apprenticeship programme to become qualified fitters.

The Company assists these apprentices to obtain their N1 (where necessary) and N2 qualifications during the first year of their apprenticeship. They attend an academic institution for their formal training and do the practical component at Dormac's premises. It is anticipated that this group of apprentices will trade test during 2026, whereafter they will be qualified Red Seal fitters.

Skills Development – Bursaries

Two bursaries were awarded to previously disadvantaged matriculants in Cape Town.

Community

Over R1.52 million has been donated to non-profit organisations and charitable bodies in the 2024-2025 financial year to support the following causes:



School and university scholarships, bursaries and sponsorships



Protection and conservation of the environment



Children with disabilities



National sea rescue and protection of animals



Children's homes, orphanages and child welfare causes



Community upliftment



Advancement of health and saving lives



Empowerment of previously disadvantaged groups

MERCY SHIPS AND DORMAC

Mercy Ships currently operates the largest non-governmental hospital ship in the world, providing much-needed humanitarian aid into Africa.

As an international charity, Mercy Ships provides humanitarian aid, such as free healthcare, community development projects, community health education, mental health programmes, agriculture projects and palliative care for terminally ill patients. The vessel, Africa Mercy, operates in countries within the Southey footprint along the east and west coasts of Africa.

Dormac was publicly described as a trustworthy, world-class repair facility not found anywhere else in Africa – a vital enabler in assisting the Africa Mercy team to operate and achieve their objectives.

Mercy Ships and Dormac continued our working relationship into our 2025 financial year, with support to Africa Mercy on location in Madagascar.

Dormac continues to operate two floating docks in Durban, making a significant contribution to our ship repair industry and local economy through job creation, training, environmental improvements and foreign investment in South Africa.



Company Initiatives

Thula Baba Smart Aunties Programme – Cape Town

Southey Cape Town generously donated R150 000 towards the Thula Baba Project. The Thula Baba Project is a South African non-profit organisation dedicated to supporting underserved mothers and their infants, particularly in communities such as the Cape Flats, where access to early childhood education and parental support is limited.



A cornerstone of this work is the Smart Aunties programme – a peer-support initiative where trusted women from local communities are trained to mentor new mothers. These Smart Aunties facilitate support groups and play-based learning sessions, share early childhood development knowledge and encourage positive parenting practices. By equipping these community champions with skills and tools, the programme fosters long-lasting support networks that help strengthen maternal confidence, improve child health outcomes and build capacity within the community itself.

Southey Contracting remains one of the main sponsors of the project.

Breadline Africa (Zimele) – Cape Town

Southey Cape Town donated R250 000 towards the Zimele Educare Centre initiative implemented by Breadline Africa, a long-standing South African non-profit organisation focused on improving early childhood development through the provision of safe, dignified educational infrastructure.



Through the delivery of compliant classrooms and essential facilities at early childhood development centres, the initiative creates enabling learning environments for children in under-resourced communities. The Company's sponsorship contributes to long-term social upliftment, by strengthening foundational education, improving child well-being and supporting community-based institutions that play a critical role in early learning and care.

This contribution will be directed towards addressing urgent facility requirements and helping to ensure safer and more inspiring learning environments for young children.



Mason Lincoln Special School – Parkhomes Projects

The Parkhomes Projects team recently completed the security infrastructure upgrades at Mason Lincoln Special School in Umlazi, KwaZulu-Natal, installing custom security gates in classrooms and facilities and a new guard house on the premises. These upgrades prioritise the safety and well-being of students and staff, ensuring accessibility for learners with physical challenges.

For a school dedicated to nurturing children with special needs, safety and security are essential. These contributions ensure a safer environment for learners, educators and families – allowing the school to continue focusing on what matters most: education and care.

This initiative forms part of Southey's broader socio-economic upliftment programme, dedicated to delivering meaningful, hands-on solutions that enhance daily life in vulnerable communities. This project aimed to benefit approximately 400 learners with special needs, as well as about 50 staff members and educators.

Mike Sports – Offshore

Clothing, kits and equipment were purchased for a local sports club based in Athlone (an area close to the Southey offices in Paarden Eiland). This is a disadvantaged area of Cape Town and these learners can't afford to pay for the relevant equipment themselves.



CANSA Movember Donation – Concord



Concord participated in the Movember challenge and made a generous donation of R22 000 towards the CANSA NGO. Movember is about raising vital awareness for men's health, including prostate cancer, testicular cancer and mental health. This contribution was in recognition of the fact that their incredible work in research, education, advocacy and support services touches countless lives – offering care centres, counselling and hope to those battling cancer.

Dormac Initiatives

Dormac has always understood the value of success and that it extends far beyond just executing our projects. We are proud that our success is not only measured in numbers, but also in the lives we touch and the opportunities we create through our various social initiatives.

The Company remained committed to its values during the execution of this special project and through our initiatives have proven that corporate responsibility is not an obligation, but a transformative force that can uplift communities, break barriers and inspire growth.

Four schools were identified for the Back-to-School campaign (listed below) and nominated students received a school shirt, school shoes and socks, as well as a backpack with stationery. Mfesane students also received scientific calculators.

How Dormac Helped

Dormac assisted Vulumzi Secondary School to introduce a vegetable garden at the school premises. By helping implement a productive garden on school grounds, Dormac enabled learners and staff to grow fresh vegetables, promoting sustainable living and environmental responsibilities. Vegetables are sold to both parents and the community, instilling a sense of entrepreneurship in the scholars, and assisting the school with much-needed additional income.

Dormac provided the Coega Maths and Science Centre with handbooks for each of the Grades 10, 11 and 12 curriculums, as well as valuable teachers' guides. This donation enabled tutors to go back to Grade 10 work, ensuring that the Grade 12 students have a core understanding of maths and science, ensuring excellent grades and pass rates.

We are very proud of our association with Starting Chance in Mfuleni, Cape Town, and more specifically our relationship with Shining Stars Crèche. By improving early childhood facilities, Dormac helps to lay a strong foundation for learning, well-being and longer-term community development.

Shining Stars operated from a shack in Mfuleni, but after supporting Starting Chance's Shack to Shick initiative, the crèche was rebuilt with a formal structure. Dormac furthermore contributed towards a playground where children can learn, play and grow in a secure and supportive environment.

Dormac also contributed towards the implementation of a cricket net at Mfuleni School. This initiative provides much-needed sports facilities to underprivileged youth from the area, creating a safe and structured environment for physical and personal development.

In line with its focus and dedication towards youth training and development, Dormac contributed towards the Domino Foundation's Cradle to Career skills programme. The pandemic and several disasters in the greater Durban area over the years caused many parents to lose their employment, causing constraints on early childhood education affordability. Low-income households are usually the most disadvantaged, with serious long-term implications that are detrimental to the development of young minds. Dormac's contribution towards this meaningful project assisted households whose income levels have been negatively impacted, to ensure that children obtain the necessary basic early childhood education required for future success and employment.

Beneficiaries of Social Initiatives

- Coega Primary School
- Canzibe Primary School
- Mfesane Senior Secondary School
- Enqoleni Primary School





GOVERNANCE

Our Approach to Governance

Our group dedicates every effort to high standards of corporate governance and applies principles of risk management, fairness, accountability, transparency and integrity across the board.

We see governance as a crucial component of value creation to all our stakeholders. The board is committed to steering the Group away from risk, solving challenges and redirecting it towards success, while abiding by the laws of the land in which it operates and persevering in the Company's mission.

At Southey, we advocate for transparency and integrity from all our divisions, through the tone set by management and other employees leading by example.

Business Ethics

At Southey, we uphold the highest standards of ethics, trust and non-discrimination, and require compliance with the constitution and laws of the countries in which we operate. Southey's leadership and employees are bound by the Group's code of conduct and business ethics, which is approved by the board of directors and is applicable to all employees – irrespective of the country in which they are based. This code of conduct is reviewed and updated regularly.

Internal Audit

We devote resources to provide independent assurance of our organisation's risk management, governance and the effective operations of our internal control processes across the Group.

We strive to integrate IT into the automation of our internal control environment, assisting our Group with the management and response time of potential risks.

Our holistic view of ESG allows for the assessment of feasibility and credibility of the Group's strategy and objectives, and the culture of the organisation, on an operational and strategic level. Greater efforts are made towards improving ESG reporting and tracking employee wellness and safety metrics to ensure the holistic well-being of employees is monitored.

Fraud Cybersecurity

Our cybersecurity approach includes investment in cybersecurity expertise, regular and adequate meeting agendas and exception reporting. This is closely monitored by the Cybersecurity Committee, who have quarterly meetings to ensure that cybersecurity risks are effectively and adequately managed. Various initiatives targeted at managing cybersecurity risks have been implemented in the period (until June 2025).

Cyber Awareness Training

With cybersecurity threats becoming more sophisticated and frequent, the group has identified the need to ensure that cybersecurity frameworks are put in place to mitigate these risks. In 2024, Southey partnered with one of our suppliers to roll out a cybersecurity training and awareness programme, as well as training which introduces new joiners to the various security products available within the group. This partnership continued into 2025 and has significantly reduced the number of incidents that had to be remediated by direct intervention of IT staff.

Continued efforts around cybersecurity awareness were made in the year to ensure that employees are aware of cybersecurity risks and the relevant mitigation strategies.

Penetration Tests

We have contracted bi-annual penetration tests against all important IT assets to both verify security compliance and identify misconfigurations that would potentially be able to be used by bad actors to compromise the systems. This ensures that not only IT infrastructure, but services relied on by the group, are protected.

In a modern business, the ERP system, email and payroll form the core of doing business, and compromises can lead to immediate financial losses.

As a contracting company working with large enterprises, it has been noted that these organisations extend their security boundaries to contractors. Therefore, we need to demonstrate not only that we have strong cyber governance, but also that it is effectively implemented.



Policies

At Southey, we conscientiously devote time and resources to the regular review and update of policies and procedures. We have ensured that our rules address all financial and operational aspects of our business, from rules on corruption, bribery and conflicts of interests, to our corporate social investment, IT security and compliance with laws and regulations.



Management Meetings

Monthly management and committee meetings focus attention on strategy, risk mitigation and adherence to internal and external policies for the protection of all stakeholders.



Quality

ISO 9001:2015 complements our H&S and environmental objectives.

WHAT'S NEW AT SOUTHEY



Whistleblowing Hotline

A whistleblowing hotline was implemented in June 2025. The hotline is a confidential and independent platform that enables employees, contractors, suppliers and other stakeholders to report suspected unethical, illegal or irregular conduct within the organisation. Reports can be made anonymously (unless otherwise required by law) via email or via the Southey website.



ISO Moulders Borehole

ISO Moulders now utilises a dedicated borehole to access natural water reserves. Through this strategic investment, the division has secured a low-energy, sustainable water supply. This initiative directly supports our commitment to net-zero by lowering utility consumption and reducing long-term water procurement costs.



UHP ErgoJet Acquisition

Cape Town Contracting invested in new ultra-high-pressure (UHP) water jet machinery to support a new product offering within its Cape Town contracting operations. UHP water jetting is used in concrete demolition and repair projects and represents a more environmentally sustainable alternative to conventional demolition methods.

The environmental benefits include:

- **Targeted material removal:** Only damaged concrete is removed, while reinforcing steel and structurally sound concrete are left intact. This reduces material sent to landfills and limits the need for new concrete, the production of which is carbon-intensive.
- **Extended asset lifespan:** The absence of vibration and mechanical shock preserves the integrity of surrounding concrete, contributing to a longer structural lifespan.
- **Reduced noise impact:** Lower noise levels minimise disturbance to the surrounding urban areas, local communities and wildlife.

WHAT'S TO COME

Upcoming Sustainability Initiatives

Planned sustainability initiatives include further improvements to waste management practices, with a specific focus on chemical waste handling and recycling optimisation. Waste management awareness initiatives and training are planned to support improved waste segregation and cultural alignment across operations, with implementation expected from 2026 onwards.

Service and maintenance is also planned for wind turbines in the Western, Eastern and Northern Cape in the upcoming financial year.

Carbon Footprint Assessment

In response to requests from clients, some Southey divisions are recording their Scope 1 and Scope 2 greenhouse gas emissions. This information is used by the clients in their bid and tender reviews, as well as to assess the impact of their own businesses on the environment.

CONCLUSION AND FUTURE OUTLOOK



Southey is dedicated to creating a sustainable future through responsible practices. The efforts made in the year have proven that operational growth and environmental stewardship are mutually reinforcing. While our progress this year marks a significant milestone, we recognise that the path to a net-zero future requires relentless innovation. We remain dedicated to a holistic business model that balances profitability with a positive socio-economic and environmental legacy. By continuing to innovate today, we ensure a resilient and sustainable tomorrow for our employees, clients and the communities we serve.

We thank our employees, clients, suppliers and host communities for their ongoing support in making sustainability a priority in all aspects of our business.



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