

HARVESTING TRANSFORMATION

Based in the Saldanha Bay Municipality area, Sea Harvest continues to create sustainable employment opportunities for the local community, with a far-reaching impact



From left, Sea Harvest and Brimstone chairman, Fred Robertson and Sea Harvest CEO, Felix Ratheb

Established in 1964 in the fishing village of Saldanha, Sea Harvest has grown into the single-largest employer in the local region and one of the largest vertically integrated black-owned fishing companies in SA.

For more than 50 years, Sea Harvest and the Saldanha Bay Municipality (SBM) in which it operates have grown and shaped a positive relationship that is essential to the sustainability of both parties. Sea Harvest is Saldanha and Saldanha is Sea Harvest.

An economic impact study recently completed by independent economic researchers has revealed the key role Sea Harvest conti-

nues to play in the livelihood of the West Coast municipality of Saldanha Bay and surrounding communities. Sea Harvest's operations generate almost 10% of total employment in the SBM area.

ECONOMIC BENEFITS

Sea Harvest's impact on job creation in the municipality continues to fuel economic growth in the region. The company's commercial activities have resulted in direct and indirect employment, including around 170 local suppliers and 15 local buyers, amounting to approximately 4 000 jobs. The resulting total local income attributed to the pre-

sence of Sea Harvest is close to R400 million per annum, which is approximately 10% of the total household incomes in the SBM.

'Sea Harvest is an integral part of the West Coast and the SBM. We depend on each other for our survival and we have an absolute commitment to creating sustainable jobs for local communities,' says Sea Harvest board chairman Fred Robertson.

'As a result, we strive to attain maximum beneficiation in South Africa, as opposed to exporting the raw material and allowing other countries to extract the maximum value.'

Aside from job creation, Sea Harvest's operations have been a catalyst for the crea-

tion of other successful businesses and this continues to be the case, with about 75% of the company's expenditure being with Level 1 to Level 4 suppliers within the SBM.

In 2014, Sea Harvest's contribution to the SBM's gross value added – the measure of the value of goods and services produced in the area – was a significant 7% or R405 million. The company continues to play a significant role in the SBM where Sea Harvest contributes R33 million of the income received by the municipality.

In total, Sea Harvest contributes 6.3% towards the municipal budget, excluding the indirect contribution by Sea Harvest employees in the form of municipal rates and taxes, water and electricity.

TRANSFORMATION

While for Sea Harvest sustainable job creation and maximum beneficiation are critical focus areas, economic transformation of the previously disadvantaged is at the forefront of all its endeavours. As a leading company, Sea Harvest has diligently worked to demonstrate its commitment to empowerment.

Its overall BBBEE rating increased from 78.8 in 2010 to 95.8 in 2015, with its current black ownership at 85%. Compared to other industries – for example mining, which has an average target of 26% – the company's transformation achievements are exemplary.

According to a 2013 KPMG BBBEE survey report, the average score for all of the industries considered was 54, while the highest-scoring industry was construction, with 79 points. Sea Harvest, by comparison, achieved a significantly higher total of 97 points.

Employees have also benefited from Sea Harvest's commitment to transformation. In 2015, staff members became shareholders in the company for a second time in its history. The aim of the employee share trust is to ensure that staff receive a share of the value created from Sea Harvest's future growth and success, in addition to their salaries.

'Our salaries and wages bill in the SBM and West Coast District was approximately R235 million in 2014,' says Sea Harvest HR director, Mary-Lou Harry. 'With regard to the trust, approximately 4.26 million shares were issued, resulting in employees owning about 5% of total shares, which has a current



Economic transformation and empowerment form the crux of Sea Harvest's SBM operations

combined value of R30 million. Of this, over 80% is held by our employees in the SBM.'

The company has also prioritised training and skills development for its staff – as well as the wider community – in a bid to narrow the skills gap in the rural Saldanha Bay area while contributing positively to the broader SA economy and improving living standards.

The commitment to empowering people through training and development has seen the company increase its skills development score from 1/15 (2010) to 12/15 (2013). It has maintained this level for 2014 and 2015 – in the process creating more than 12 000 training opportunities.

Critical to Sea Harvest's skills development ambitions is the endeavour to improve the lives of its employees and the communities they serve. Of the employees afforded training and development opportunities over the past five years, 98% are previously disadvantaged individuals and, importantly, more than 60% are female.

SOCIAL DEVELOPMENT

On a social development level, the Sea Harvest Foundation has been ploughing funds into local West Coast communities since 1998, although the company's history of charitable donations extends well beyond this date.



Community-centric sports development is another one of the Sea Harvest Foundation's key priorities

'As the single-largest employer in Saldanha Bay, we take our social responsibility seriously,' according to Sea Harvest operations director and chairman of the Sea Harvest Foundation, Terence Brown. The foundation's key focus areas include education and health, as well as sports, community and business development.

More than 80% of students from the SBM and West Coast region who received bursaries for tertiary studies from the company were black and coloured females.

In terms of health, Sea Harvest has worked closely with the Department of Social Development for many years and, since 2012, six social workers have been permanently based at the Sea Harvest social development office.

Five satellite offices have since opened in the area, further extending the reach of the social workers, while an on-site clinic on the

company's premises, family enrichment programmes and substance abuse support group, among others, form part of the company's efforts to promote employee wellness.

During the study, representatives from the SBM, Sea Harvest staff, local school principals and local trade unions confirmed the key role played by Sea Harvest in the region's economy. They noted that the impacts associated with lower catches or work stoppages at Sea Harvest were felt throughout the town and broader municipality.

These included an inability to pay municipal bills, accounts and school fees, while local shops and businesses also experienced a reduction in sales.

The interviewees also highlighted the key role played by Sea Harvest in terms of its support for local institutions and programmes, such as schools, crèches, sports

clubs and organisations. One such example is the Siyabonga Care Village, which provides medical and disability care to elderly and handicapped residents.

'Sea Harvest's operations have necessitated substantial capital investment in the form of vessels, buildings, machinery and equipment over the years. Our fixed capital has a replacement value of approximately R1.7 billion,' says Madoda Khumalo, the company's strategic services executive.

'However, to continue adding value for our people, local communities, suppliers, customers and consumers, we need government's support. This is critical, given the highly regulated industry within which we operate. It is my hope that the results of this independent study demonstrate our commitment to contributing, in turn, to government's key strategic drivers.' ¹⁹



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