adapt IT

SUSTAINABILITY REPORT

FOR THE YEAR ENDED 30 JUNE

2020

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NAVIGATION TOOLKIT

Reference marker for additional information on the website, **www.adaptit.com**

Reference marker for additional information in the **Integrated Annual Report**

Reference marker for additional information in the **Sustainability Report**

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ABOUT THE SUSTAINABILITY REPORT

Adapt IT Holdings Limited ("Adapt IT" or "the company") presents, alongside the Integrated Annual Report, the 2020 Sustainability Report, which intends to document:

- the economic, social and environmental performance; and
- the vision, strategy, actions and goals to improve these.

During the 2019 financial year, Adapt IT undertook to improve sustainability reporting by aligning it more closely with international reporting standards, implementing standards by the Global Reporting Initiative (GRI) Sustainability Reporting Standards and the Sustainability Accounting Standards Board (SASB). For the 2020 financial year, Adapt IT continued to implement these standards thus there will not be substantial changes to the Sustainability Report as the same performance areas were addressed.

Reporting scope

The Adapt IT Sustainability Report for the financial year ended 30 June 2020 covers information from Adapt IT and its subsidiaries in all regions of operation – South Africa, Mauritius, Australia, Botswana, Singapore, Ireland, Kenya, Nigeria and New Zealand. Of these regions, South Africa is the most significant operation, contributing the largest percentage to revenue at 73%.

The scope of the report is determined by considering Adapt IT's strategy, stakeholder, value chain and material sustainability issues.

The Sustainability Report is part of Adapt IT's annual publications that cater for the needs of stakeholders. Stakeholders are encouraged to refer to the Integrated Annual Report (available on www.adaptit.com).

Adapt IT publishes unaudited interim reports, as well as Integrated Annual Reports for each financial year, with the most recent publication prior to this one being the Interim Report of the half year ended 31 December 2019 (available on www.adaptit.com).

The data in this Sustainability Report is supplied by internal teams as well as reputable external sources such as assurers, regulators and (to a limited extent) service providers. The report considers the reasonable concerns of other key stakeholder groups with whom Adapt IT engages.

Stakeholder feedback on the report is welcome; questions or recommendations may be directed to sustainability@adaptit.com.

Reporting framework

Adapt IT has adopted the GRI Sustainability Reporting Standards, which are used in the pages that follow to describe the company's activities in this arena. As such, Adapt IT declares that this report has been prepared in accordance with the GRI Sustainability Reporting Standards Core option. In addition, Adapt IT has opted to reference the sustainability disclosures for the Software and IT Services industry as set out by the SASB.

The reporting process for the annual reports was guided by the principles and requirements contained in the International Financial Reporting Standards (IFRS), the GRI Sustainability Reporting Standards, the King Code on Corporate Governance 2016 (King IV™), the Listings Requirements of the Johannesburg Stock Exchange (JSE) and the requirements of the remit assigned to the Social and Ethics Committees in terms of the South African Companies Act of 2008, as amended.

Assurance

Adapt IT has adopted a combined assurance framework that the board of directors ("board") believes is appropriate with respect to Adapt IT's stage of development and strategies. This framework is overseen by the Audit and Risk Committee and involves obtaining assurance from executive and senior management, internal assurance providers and external assurance providers on risk areas identified.

As part of the adoption of Adapt IT's assurance framework, the following independent external assurances were obtained:

Business process	Nature of assurance	Status	Provider
Financial/operational			
Annual financial statements	External assurance	Assured	KPMG
Internal audit	Internal assurance (outsourced)	Assured	PricewaterhouseCoopers (PwC)
Empowerment			
Broad-based Black Economic Empowerment (B-BBEE)	Black Economic Empowerment (BEE) Scorecard	In place	Empowerlogic (Pty) Ltd
Ethics			
Whistleblowing hotline	External assurance	In place	KPMG
Anti-Bribery and Corruption Policy	Internal assurance	In place	Compliance Manager

Sustainability governance

Adapt IT's Social and Ethics Committee is responsible for ensuring that the sustainability objectives are effectively integrated into the business. The committee is chaired by Oliver Fortuin, independent non-executive director. Its members are Chief Commercial Officer (COO) Tiffany Dunsdon and independent non-executive director Catherine Koffman. Chief Financial Officer (CFO) Nombali Mbambo and Chief Executive Officer (CEO) Sbu Shabalala are attendees. It includes sustainability considerations in its semi annual meetings. Further details on the Social and Ethics Committee are set out on page 61 of the Integrated Annual Report. Further details about the governance mechanisms in place are available from page 56 to 63 of the Integrated Annual Report.

Board approval

The directors of Adapt IT acknowledge responsibility for the integrity of this Sustainability Report. The directors have applied their minds to the report and believe that the information is reliable, and that it fairly presents the value creation of Adapt IT.

Craig Chambers
Chairman: Board

Oliver Fortuin
Chairman: Social and Ethics Committee

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CHAIRMAN'S LETTER
SOCIAL AND ETHICS COMMITTEE

"SUSTAINABILITY RESPONSIBILITIES OF ORGANISATIONS MAY HAVE BROADENED WITH THE ADVENT OF THE COVID-19 PANDEMIC, BUT SUSTAINABILITY REMAINS A KEY IMPERATIVE FOR ALL STAKEHOLDERS AS IT PERTAINS TO ECONOMIC, SOCIAL AND ENVIRONMENTAL CONSIDERATIONS."

The ability to adapt and be responsive to changes in the environment has always been a cornerstone of sustainability, but never more so than in the past few months when the world faced immensely unexpected and unprecedented challenges. At the outset of the pandemic, leaders were challenged to make the best decisions possible in an environment of considerable uncertainty. Adapt IT leadership rose to the challenge by implementing a proactive response, acting rapidly to ensure the safety of its employees by initiating and implementing virtualised work protocols before they were mandated and implementing a multi-faceted management plan to monitor and moderate the impacts of the pandemic. This is discussed further in the CEO's Report in the Integrated Annual Report from page 30. Overall, the leadership is focused on positioning the business for sustainability beyond the immediate impacts of the pandemic to what it believes will become the new normal.

Notwithstanding the pandemic, Adapt IT continues to maintain its commitment to pursuing success beyond financial achievements – making positive impacts and reducing negative impacts in the environment and wider society are steadfast goals of the company which are continuously pursued.

Good corporate citizenship means being strategic about value generation by the company – not only for shareholders, but for the people, the planet and future generations. It means applying the same level of commitment, rigour, and sincerity to changing lives as in the development of innovative technology solutions for customers. At Adapt IT the drive towards remaining a good corporate citizen is driven from board level, including an active role in contributing to and reviewing the Adapt IT purpose, values and strategy.

Adapt IT's operations have always been based on strong value systems, however, improvements on sustainability reporting in line with international standards, is a relatively new undertaking that was successfully initiated in the 2019 Sustainability Report and continues to be an area of focus and improvement for the company. As discussed on page 1 of this report, the company has selected the GRI Sustainability Reporting Standards as a guideline against which the company will reflect on its positive and negative impacts. Being an organisation that seeks growth beyond the borders of South Africa, it is imperative that alignment with the standards is maintained.

Oliver Fortuin
Chairman, Social and Ethics Committee

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Technology proficiency during and beyond Covid-19

The Covid-19 pandemic highlighted the critical importance of technology in the lives and livelihoods of people. It accelerated the need for adoption and uptake of Artificial Intelligence (AI) powered and Cloud-enabled technology beyond the workplace. As such, it is expected that technology proficiency will become an imperative that technology providers such as Adapt IT must seek to facilitate and participate in improving. It is an undertaking that may have an impact on the economy's recovery in the long term and thus, a concern that the company seeks to play a role in as ultimately, the success of an economy is the responsibility of all economic participants.

Transformation

The company's B-BBEE status is an indication of progress towards implementing and maintaining a transformed environment that invests in the betterment of previously disadvantaged groups. The upliftment of disadvantaged communities is a responsibility that must be shared by all who inhabit South Africa, thus Adapt IT remains committed to making a positive impact in the transformation imperative through successful and challenging periods. During the 2020 financial year, Adapt IT (Pty) Ltd achieved its target, being rated a B-BBEE Level 1 contributor.

The company made improvements across key elements of the scorecard such as ownership, employment equity, preferential procurement and supplier development practices, as well as maintaining impactful socio-economic development initiatives. This is reported on in more detail on pages 21 and 22 of this report.

Ethical culture

Adapt IT believes in an ethical culture that is steeped in a strong values base. The company holds itself and its employees to high ethical standards in the execution of work with embedded standards of good, right and fair conduct. The company aligns itself with the Organisation for Economic Co-operation and Development (OECD) recommendations regarding corruption (refer to www.oecd.org for further details). Ethical behaviour and anti corruption measures are instilled formally through the Adapt IT Behaviours Charter, policies, procedures and compliance with the relevant laws and regulations, including the company's Ethics and Conduct Policy.

Adapt IT values are approved at board level and are the yardstick against which all employees are measured. The Executive Committee has oversight of ethical considerations and is involved in the active pursuit to maintain ethical standards within the company. The board provides effective leadership based on an ethical foundation, providing oversight to ensure that the company's ethics are managed effectively. Roles of the board are described in the Integrated Annual Report available at www.adaptit.com. The board is confident that adequate practical arrangements are in place to support the meeting of ethical standards.

Adapt IT believes that its activities and policies align with the UN Sustainable Development Goals through the implementation of GRI Sustainability Reporting Standards. The company is committed to consciously evaluating sustainability in order to actively assess and report on the progress made in their implementation.

Appreciation

In closing, I thank my fellow committee members and the executive team for their counsel and support through a particularly challenging year, our employees for their resilience and commitment to customer delivery, and our customers for their commitment in a time of great uncertainty.

Looking ahead, the business will continue to operate in the ethical, responsible and accountable way which our stakeholders have come to expect of Adapt IT.

Oliver Fortuin
Chairman, Social and Ethics Committee
23 October 2020

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CEO'S STATEMENT

"THE DECISION TO ALIGN ADAPT IT'S SUSTAINABILITY REPORTING TO GRI SUSTAINABILITY REPORTING STANDARDS IS A KEY ASPECT OF MAINTAINING A PROACTIVE APPROACH TO MANAGING SUSTAINABILITY RISKS. IT OFFERS THE OPPORTUNITY TO IDENTIFY AREAS OF IMPROVEMENT CONCERNING THE IMPACT THE COMPANY HAS ON STAKEHOLDERS, THE ENVIRONMENT AND SOCIETY."

Sbu Shabalala
Chief Executive Officer

Sustainability has always been the foundation and driver of the Adapt IT business ethos. It has not only been a consideration related to the longevity of the company, but a consideration to operate in a manner that makes as much of a positive impact as possible while minimising negative impacts within the realm of the business and in the external arena.

With the advent of the Covid-19 pandemic, sustainability has become even more fundamental. It has affected lives across the globe and these impacts will continue to be felt beyond the immediate future. As such, sustainable strategies must be employed across various facets of the businesses and communities. Adapt IT has undertaken a proactive approach to managing the impacts of not only the pandemic, but of all other risks that impact sustainability and has incorporated coping strategies for the long term. For more details on the company's response to the pandemic, please review the Covid-19 update on page 30 of the Integrated Annual Report.

Adapt IT continues to work to achieve the highest corporate governance standards and provide support to disadvantaged communities and remains conscious of its social and environmental impact. While it has always had a sustainability focus, the decision to align reporting to international standards was taken relatively recently and implemented for the first time in the 2019 Sustainability Report. Moreover, the company's view has evolved to regarding sustainability as a core part of its values and a necessary element of growing the business.

As such, Adapt IT continues to seek opportunities to improve its sustainability stewardship and report in a manner that will enable better identification of areas where improvements can be made. Any risks to the sustainability– of the company are of importance to Adapt IT and measures to enable early identification and mitigation, which sustainability reporting supports, are essential to the company.

The executive team and board are focused on enhancing impact on employees, clients, suppliers and communities that make this business what it is. Only through acting responsibly towards the natural resources, people, knowledge and innovative ability that make growth possible, can Adapt IT secure long term success.

With the successful implementation of a framework that is based on the GRI Sustainability Standards in the 2019 financial year, there is confidence that the gradual progress with reporting will continue as this form of reporting becomes entrenched within the organisation. The company's commitment to society, the environment and stakeholders keeps it cognisant of its impact that has a bearing beyond financial achievements.

In the pages that follow, the company reflects on the significant impacts that Adapt IT has felt, directly or indirectly, in order to both manage and report on these impacts more responsibly. This should provide and support information requirements for current and future shareholders investing with "impact" in mind.

While good progress has been made to date, the company remains committed to making gradual improvements and continuously managing its impacts.

I am greatly pleased by the teams' undertaking of this commitment and the successes achieved thus far and look forward to continued progress going forward.

Sbu Shabalala
Chief Executive Officer
23 October 2020

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PURPOSE, PERSONALITY, VALUES AND CULTURE

Purpose

Growing our business, people and solutions to enable our clients to Achieve more by improving their:

- Customer experience
- Core business operations
- Business administration
- Enterprise resource planning
- Public service delivery

Personality

Leading. Professional. Experts.

Values

- Respect
- Honesty
- Responsibility
- Accountability

The culture we embrace

Respect

- Embrace and value the diversity of our cultures, skills, experience and individual contributions
- Listen sincerely and actively, and communicate without raising our voices or using offensive language
- Arrive on time for all our engagements with colleagues, customers and partners
- Take care of company property, and enable a clean and considerate office space

Honesty

- Are ethical, truthful and transparent in all that we do
- Build trust through constructive feedback within all our teams
- Do what is right in all circumstances even when no one is watching
- Acknowledge our mistakes without fear or prejudice

Responsibility

- Build synergies and relationships to the benefit of the organisation
- Continuously innovate, creating efficiencies in our internal processes and product development
- Are customer centric, delivering superior quality through high performance
- Are socially responsible by contributing to the wellbeing and upliftment of our communities

Accountability

- Deliver on the commitments made to our colleagues, customers and partners
- Take ownership by always driving the next steps to achieve a successful outcome
- Complete our assigned tasks timeously
- Are adaptable to changes, and open to doing things differently

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CREATING VALUE
BUSINESS MODEL

Inputs

Intellectual capital

- Highly qualified technology professionals
- Vertical market expertise
- Goodwill
- Brands and intellectual property (IP)
- Innovation and research
- Clearly defined strategy

Human capital

- Entrepreneurial and skilled leadership team
- Highly qualified technology professionals in South Africa, Mauritius, Australia, Botswana, Singapore, Ireland, Kenya, Nigeria and New Zealand
- Skilled integrated sales capacity and channel partners
- B-BBEE status and ownership

Social and relationship capital

- Long-term customer relationships
- Ecosystem relationships with Original Software Manufacturers (OSMs)
- Stakeholder engagement
- Community investment and development
- Skills and enterprise development
- Preferential procurement

Financial capital

- Shareholder and debt funding
- Retained profit used for growth
- Effective working capital management
- Capital allocation

Manufactured capital

- Regional campuses and sales presences in Africa, Ireland, Australia, New Zealand and Singapore
- Online platforms
- Enabling corporate environments

Natural capital

- Low materials consumption in operations
- Emissions, effluent, waste managed through group sustainability initiatives
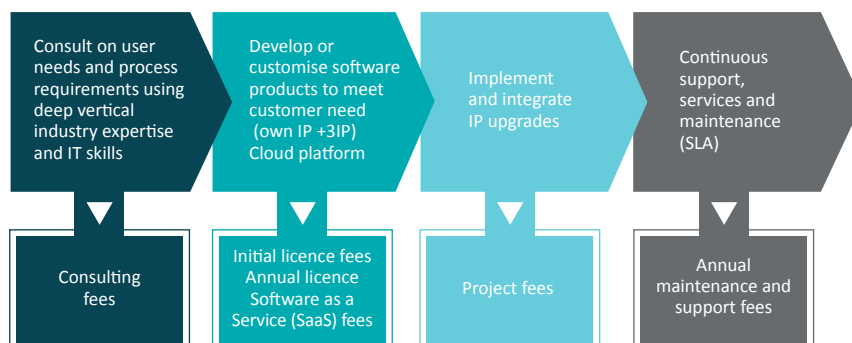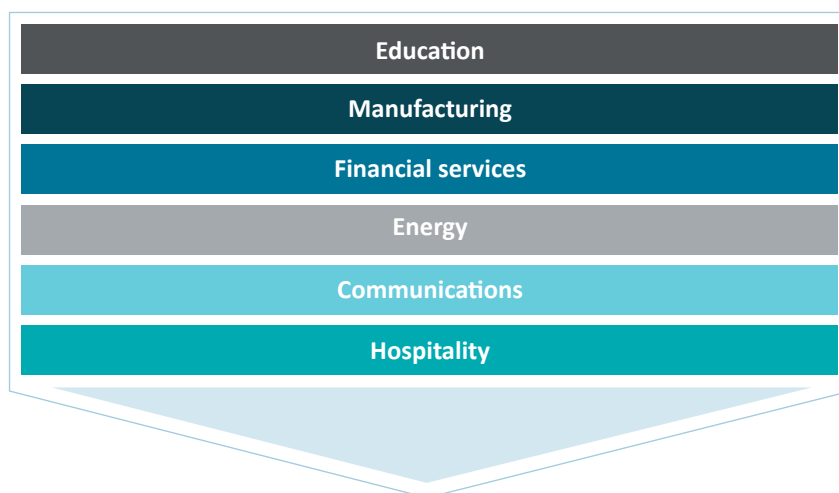- Energy efficient workplace

Value creation

Vision
To be a leader in specialised software and digitally-led business solutions.

Purpose
Growing our business, people and solutions to enable our clients and investors to Achieve more.

Sector focus

Education
Manufacturing
Financial services
Energy
Communications
Hospitality

Consult on user needs and process requirements using deep vertical industry expertise and IT skills	Develop or customise software products to meet customer need (own IP +3IP) Cloud platform	Implement and integrate IP upgrades	Continuous support, services and maintenance (SLA)
Consulting fees	Initial licence fees Annual licence Software as a Service (SaaS) fees	Project fees	Annual maintenance and support fees

Diversified sustainable revenue model with annuity income of approximately 62%.

Highly successful remote support model provides significant operating leverage benefits.

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Outputs

Software and products

A wide range of flagship products and software are available from across the group and delivered to clients in various locations across the world. For further information on the list of software and products, visit www.adaptit.com

Solutions and services

Front Office

- Mobile point-of-sale platforms
- Student self-service and e-learning platforms
- Corporate customer self-service platforms
- Advanced analytics platforms

Middle Office

- Integrated logistics and laboratory information management solutions
- Permit to work and energy isolation management solutions
- Advanced planning, transport and distribution solutions
- Terminal automation solutions
- Turn-key oil and gas management solutions
- Integrated operations management platforms
- Hotel operations and distribution platforms

Back Office

- Automated support and maintenance solutions
- Human Capital Management (HCM) and payroll outsourcing solutions
- Automated financial reporting solutions
- Tax practice management solutions
- Secretarial process management solutions
- Timetabling and rostering solutions
- Telecom And Technology Expense Management (TEM) solutions
- Enterprise performance management solutions (EPM)

Enterprise Resource Planning (ERP) Solutions

- SAP™ ERP solutions
- Microsoft ERP solutions
- Oracle ERP solutions
- Sugar industry specific ERP solutions
- Education and learning management ERP solutions

Outcomes

Intellectual capital
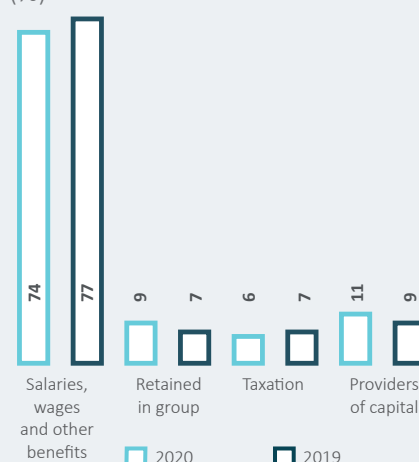
- Goodwill
- Brands and IP
- Innovative solutions

Human capital

- Highly motivated employees
- Employee retention improved
- Skilled organisation with Adapt IT Values central to all operations

Social and relationship capital

- Long-term customer relationship
- Community investment and involvement
- B-BBEE status and ownership
- Contribution to local economy
- Improvement to client's business efficiencies

Wealth created and distributed
(%)

	2020	2019
Salaries, wages and other benefits	74	77
Retained in group	9	7
Taxation	6	7
Providers of capital	11	9

Manufactured capital

- Employment equity targets
- IP
- Platform for integration of acquisitions

Natural capital

- Reduced emissions through creation of regional campuses
- Employee travel reduced through regional office creation in all areas of the operations
- Energy efficient workplace

Software development capability in South Africa

Adapt IT has internal software development capabilities that have been augmented through acquisitions to serve clients in an integrated approach. These capabilities are located predominantly at the Johannesburg campus, with a regional presence in Durban and Cape Town.

Adapt IT continues to leverage the JSE-listed platform to enhance the value of the software businesses it has acquired.

Integration of software capability

Adapt IT integrates businesses it acquires to enable and encourage collaboration and to further enhance the cross-selling of software solutions, operational efficiencies and innovative abilities across the organisation (see additional information on acquisitions on page 27 of the Integrated Annual Report).

The integrated shared services* function allows for cross-divisional governance and oversight of sales, market positioning, finance and client support. Financial consolidation allows for a direct line of sight and the ability to have a centralised treasury function.

Shared services functions are defined as financial management, human capital management, legal and commercial, strategy, marketing, ICT support and facilities management.

Location of market development capabilities

Adapt IT's capabilities in the Pan Africa, Asia Pacific and European markets enable market development and expansion within those regions, with project delivery being supported from South Africa where the majority of the software development capabilities exist. Adapt IT's locally-based personnel across the markets is advantageous in building and maintaining key relationships (see page 3 of the Integrated Annual report for the map indicating revenue contribution by geography; also indicates the location of the Adapt IT market development focus).

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SUSTAINABILITY MATERIALITY ANALYSIS

Content definition

In defining the content for this report, Adapt IT reviewed material topics addressed in the 2019 Sustainability Report. These were based on GRI and SASB reporting standards and remain material for the 2020 financial year and similarly the 2020 Sustainability Report, with the additional formalisation of three environmental disclosures. In line with the GRI Sustainability Reporting Standards, the reporting principles applied in the compilation of report content include those used to:

- define report content, which aids in determining content for inclusion; and
- define report quality, which guides the process to ensure the quality and presentation of information in a sustainability report.

Reporting principles for defining report content	Reporting principles for defining report quality
• Stakeholders inclusiveness • Sustainability context • Materiality • Completeness	• Accuracy • Balance • Clarity • Comparability • Reliability • Timeliness

This section provides an overview of how these principles were applied in the process of defining content to include in the report.

Stakeholder inclusiveness

Adapt IT engages with various stakeholder groups to communicate with and responds to their expectations using a diverse and encompassing range of channels in an appropriate and efficient manner. Stakeholder engagement provides insight into concerns of stakeholders, which informs the assessment of material issues. Further information on stakeholder engagement is available in the Integrated Annual Report at www.adaptit.com.

This section addresses Adapt IT's engagement with the following stakeholders:

Stakeholder	Areas of focus	Strategic response includes*
Shareholders and investment community	Sustainability of business Return on invested capital Reduction of debt levels and application of capital	Development and roll out of a robust integrated strategy and implementation thereof Geographic, client and services diversification Focus on organic growth Detailed cash forecasting and management Paying down debt Sound capital allocation
Employees	Transformation Provision of gainful employment Fair labour practices Attracting top talent Skills development, training and learnerships Employee health and safety	Affording employment security Open communication; fair management practices; group-wide policies Strong recruitment capability, attractive work conditions, career path prospects and competitive salaries to attract and retain talent Training Employee engagement surveys and related plans Continued implementation and update of policies and protocols that support the health and safety of employees
Customers	Customer value creation Service delivery Expert customer support	Industry-specific innovative solutions High-quality services and solutions Continuous training of employees for better solution delivery and support
Government	Statutory and legal compliance Fair and sustainable business practices Contribution to shaping industry policy Transformation	Compliance with applicable acts, guidelines, procedures and policies Providing regular and transparent information; full contribution to the fiscus through taxation and levies Proactive consulting and contribution as required Independent project governance reviews
Financial institutions and funders	Relationship manager engagement Prudent financial management	CEO and executive engagement events for financial partners Highly-qualified finance team; best practice risk management structures
Communities	Good corporate citizenship Sustainable business practices Sustainable community contributions	Provision of employment opportunities within communities; proactive contribution to IT educational needs Commitment to monitoring operations to ensure that harm is not done to communities within which Adapt IT operates Youth employment initiatives such as learnership and trainee programmes Sustainable contributions that enable and support the individuals in the communities Adapt IT operates in
Suppliers and partners	Continued growth and meaningful relationships	Management of long term relationships with partners for sustained growth

* Further information is available in the Integrated Annual Report at www.adaptit.com.

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Sustainability context

In the process of identifying a framework and standards to apply in this report, a number of sustainability standards were reviewed to identify the best fit. The framework implemented is aligned with the operating environment of Adapt IT as well as international standards, as indicated in the Reporting Framework section (page 1).

Sustainability is a common thread throughout the accompanying Integrated Annual Report as well; it is the foundation upon which value is created for all stakeholders.

Materiality

There is a wide range of topics that relate to sustainability that organisations can report on. As such, Adapt IT conducted an exercise to identify those topics relevant to the organisation. In selecting material topics, Adapt IT considered those reported on in the 2019 financial year, the list of sustainability topics put forth by the GRI and those put forward by SASB, in order to identify any additional topics that should be reported on. The list of topics was reflected upon to determine whether or not economic, social or environmental impacts occurred. Adapt IT is satisfied that the list considered in 2019 remains relevant in this current sustainability report, with the addition of three topics.

In reviewing the topics, the following were considered:

- Whether impacts associated with each topic occurred internally or externally or across both.
- Whether there were significant positive or negative impacts that occurred from an economic, social and environmental perspective.
- Whether the topic had significant influence (positive or negative) on stakeholders' assessments and decision making.
- The likelihood and severity of impacts, the risks or opportunities related to the topics, and the criticality on long term performance and opportunities for Adapt IT to grow from these impacts.

Priorities were reassessed to determine the desired level of coverage, as indicated in the prioritisation table.

Low reporting priority	Medium reporting priority	High reporting priority
Reported to fulfil regulatory or other reporting requirements. May be excluded if not material	May be excluded if not material	Must be included in the report
Environmental - Environmental Compliance - Energy - Waste - Water and Effluent	**Social** - Security Practices - Human Rights Assessment - Public Policy - Supplier Social Assessment - Local Communities **Systemic Risks from Technology Disruptions** - Performance Issues - Description of Business Continuity Risks Related to Disruptions of Operations - Number of Licenses or Subscriptions and Percentage that is Cloud-Based	**Economic** - Economic Performance - Market Presence - Procurement Practices - Anti-corruption - Anti-competitive Behaviour **Social** - Employment - Labour/Management Relations - Occupational Health and Safety - Training and Education - Diversity and Equal Opportunity - Non-discrimination - Equal Remuneration for Women and Men - Child Labour - Forced or Compulsory Labour - Rights of Indigenous Peoples - Customer Privacy and Data Security

Completeness

Adapt IT has undertaken, throughout the collection and presentation of available information, to provide as clear a picture as possible for stakeholders to assess the organisation. During the reporting process areas where management approach and disclosure measurement mechanisms need to be implemented and/or improved were noted for better reporting in the future.

Report quality

In ensuring that the quality of content in the report is up to standard, the following key focus areas are at the forefront throughout data collection and presentation:

- The provision of accurate and detailed information as far as possible. Where there are deficiencies in the level of detail of available data, this has been acknowledged and improvement initiatives will be pursued in order to better track and maintain impacts and related information.
- The reporting of negative and positive impacts associated with the topics covered, including favourable and unfavourable results and topics, in order to maintain balance.
- Information has been presented in a manner that is understandable and accessible to ensure the understanding of all stakeholders. Feedback and comments from stakeholders are welcome as they may help improved reporting.
- The aim of reporting is to demonstrate Adapt IT's performance over time, and not at a point in time. All sustainability reporting remains in accordance with the GRI Sustainability Reporting Standards, which will enable performance tracking and comparison over a period of time.
- Adapt IT 's Integrated Annual Reports are subjected to external assurance, in order to assure stakeholders of their reliability.
- Adapt IT publishes integrated annual reports (which include sustainability reports) as well as interim and full year financial results. Information is useful when it is available and when it is still relevant for stakeholders to make decisions. As such, the aim is to produce and publish timely reports.

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SUSTAINABILITY REVIEW

"ADAPT IT IS COMMITTED TO REMAINING A RESPONSIBLE CITIZEN BY ENTRENCHING RESPONSIBLE BEHAVIOUR THROUGHOUT ITS OPERATIONS, IN INTERACTIONS WITH CUSTOMERS AND SUPPLIERS AS WELL, IN OFFERING SOLUTIONS THAT IMPROVE CUSTOMER EXPERIENCE AND IN LIMITING ENVIRONMENTAL IMPACTS."

Stakeholders are impacted by Adapt IT's decision making, thus they have always been a key consideration in defining the company's sustainability approach. Beyond compliance with regulatory requirements, the company seeks to ensure its longevity as well as to effect positive impact on society, the economy and the environment for the long term. It is important to Adapt IT that its operations help with the upliftment of businesses by improving how they function using its solutions and through prioritising partnerships with local entities. In this report, "local" refers to any business, entity or individual primarily based in, or originating from, the country in question.

Sustainability has always been a driving factor in Adapt IT, as this enables it to continue making positive impacts for its stakeholders in the long term. To this end, the organisation has always maintained the stance to address any challenges and threats to sustainability as proactively as possible. Businesses across the globe are faced with the unforeseen and unprecedented threat to sustainability arising from the Covid-19 pandemic. The threat has been extensive in that it has affected, and continues to affect multiple facets of life, therefore it has become increasingly vital to address emerging risks expediently and proactively and cultivate agility to adapt to changing external factors.

Much like a multitude of business across the globe, the Covid-19 pandemic has had a considerable impact on the company. However, Adapt IT's quick response alleviated the worst of the effects on both the business and its people. A report on the response of the company, the impact of the pandemic on the business together with opportunities it presented to Adapt IT can be found in the CEO's Report on pages 30 and 31 of the 2020 Integrated Annual Report.

Adapt IT's response to the confirmation of the first Covid-19 case in South Africa was swift and sought to ensure the safety of employees and other stakeholders. The implementation of remote work protocols was immediate and ensured business continuity, amidst the implementation of lockdown protocols. The company maintained engagement with stakeholders in order to ensure that they were kept abreast of how Adapt IT would be operating during the lockdown period. Throughout the changes in regulations and levels of restriction of movement, the company's key focus was to ensure that stakeholders were kept up to date with the company's responses.

The monitoring and management approach highlighted in the Integrated Annual Report was instrumental in mitigating the impact of the pandemic on the company and it remains vital, even as restriction levels are eased.

Further details on the impact of the pandemic on people can be found on page 19 of this report.

The sections that follow address the company's review of its performance in various sustainability aspects during the 2020 financial year.

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SUSTAINABILITY REVIEW

ECONOMIC SUSTAINABILITY

"IN ADDITION TO BUILDING A SUSTAINABLE BUSINESS, BALANCING INVESTMENT FOR GROWTH AND REWARDING PROVIDERS OF FINANCIAL CAPITAL IS AN IMPORTANT PART OF ADAPT IT'S ECONOMIC MANAGEMENT STRATEGY."

Approach to economic sustainability

In its operations, Adapt IT balances the interests of all stakeholders, with particular attention to achieving efficiencies for clients, optimising shareholder value and reinvesting internally in people and technology. The company endeavours to find a fair balance between competitive pricing to clients, dividends to shareholders and rewards to employees. The company has suspended the payment of dividends for the time being in favour of paying down debt.

Financial performance is covered extensively in the accompanying Integrated Annual Report. The board believes that the well diversified base of the business and strong leadership capability positions Adapt IT well to continue to succeed in the years ahead.

Adapt IT generated wealth of R808 million for the year ended 30 June 2020 from which employees benefited in the amount of R602 million (74%) and other stakeholders benefited in varying proportions as indicated in the value-added statement on this page.

Adapt IT's strong financial performance record has enabled it to continue investing in product development, infrastructure, people and operational systems that support customers and underpin the company's organic and acquisitive growth initiatives.

Adapt IT's financial management is an ongoing process with monthly reporting and analysis conducted to ensure prudent overall performance within the operations. As part of the company's continued diligence and adherence to good governance, it follows the requirements of IFRS.

Furthermore, codes such as the Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice, the Companies Act, Prevention and Combating of Corrupt Activities Act, the United Kingdom Anti-Bribery Act, Foreign Corrupt Practices Act, King Code on Corporate Governance (King IV™) and other legislation influence policies that relate to the following:

- Economic performance
- Procurement
- Staffing in different markets
- Employee benefits
- Anti-bribery and anti-corruption
- Anti-competitive behaviour
- Conflict of interest

In order to ensure that policies are reflective of laws and regulation, reviews of updates are continually conducted; where changes are required, these are incorporated in the policies within stipulated timelines.

Furthermore, the annual reporting that is a requirement of the JSE Listings Requirements enables Adapt IT to perform comprehensive reviews of the operations as part of the reporting process. It is this, and other more frequent and continuous processes, that afford the opportunity to identify areas of improvement and develop plans to address them.

Economic performance

Direct economic value generated and distributed

Adapt IT has compiled this information from its audited financial statements, available in the Integrated Annual Report at www.adaptit.com. See highlights of wealth created illustrated in the table below.

	Consolidated 2020 R'000	%	Consolidated 2019* R'000	%
Revenue	1 483 347		1 438 138	
Less:				
Net cost of products and services	(675 179)		(689 900)	
Value added	808 168		748 238	
Wealth created	808 168		748 238	
Applied to:				
Employees				
Salaries, wages and other benefits	602 298	74,5	577 511	77,2
Providers of capital	84 699	10,5	68 647	9,2
Interest on borrowings	84 699	10,5	42 830	5,7
Dividends to shareholders	–	–	25 817	3,5
Government				
Taxation	50 519	6,3	53 921	7,2
Income taxation: normal and deferred	44 029	5,5	48 549	6,5
Skills development levies	6 490	0,8	5 372	0,7
Retained in the group	70 652	8,7	48 159	6,4
Wealth distributed	808 168	100,0	748 238	100,0

* Restated.

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SUSTAINABILITY REVIEW

ECONOMIC SUSTAINABILITY CONTINUED

Market presence

The Adapt IT strategy, in markets outside of South Africa, is to employ leadership from within those markets; senior management is recruited from a pool of candidates who reside within the country of the operation. This ensures that the operation is led and developed by individuals with local relationships and a good understanding of the local business environment.

Senior management refers to individuals that fulfil functional management roles such as Human Capital Management (HCM), Commercial, Finance and Operation executives – the Paterson Grade equivalent being the D5 and E1 ranges.

In South Africa, the most significant operation of Adapt IT, 89% of senior management are residents of the country.

Procurement practices

The procurement team is committed to ensuring that procurement processes are enhanced as required; a review of processes allows the identification of areas of improvement. Primary to the team is the task of maintaining ethics within the supply chain. When selecting suppliers, it considers the quality of products or services, compliance with regulations and Adapt IT's expectations, price, financial stability and quality of customer service. The assessment process followed is highlighted in the Supplier Assessment section of this report.

Approximately 15% of Adapt IT's procurement is for products and solutions across the supply chain that are procured from multinational companies either directly in the country of origin or represented by distributors in South Africa. The nature of the technologies that underpin the company's offerings necessitates procurement from international service providers, as there are no viable local options. For the year under review, 82% of total procurement spend in South Africa qualified as B-BBEE spend-procurement with B-BBBEE compliant suppliers was approximately R11 million.

Adapt IT defines local vendors as those that originate from South Africa, however, a concerted effort is made to comply with B-BBEE Codes by procuring from businesses that are compliant with the codes; vendors that seek to register as Adapt IT suppliers are required to have a minimum B-BBEE Level 4.

New vendors are required to complete a compliance declaration where standard terms and conditions demand that they supply goods and services in compliance with industry practice and Adapt IT's policies and procedures.

Adapt IT has assisted emerging entrepreneurs for over a decade through preferential procurement and training opportunities. The organisation has engaged these small businesses in various projects. In agreement with customers, these entrepreneurs receive project management skills, preferential payment terms and business management advice.

Adapt IT continuously reviews procurement practices and updates the procurement policy to align with new B-BBEE Codes, while consistently holding suppliers to the highest standards of ethics.

Anti-corruption

Adapt IT understands that fair labour practices and good corporate citizenship drive sustainable revenue, profit growth, and return on investment. It prides itself on compliance with legislation, and commitment to ethical, fair and sustainable business practices. It is steadfast in its position against participation in corruption and bribery and is fully committed to maintaining transparency within operations. To this end, policies are well communicated within the organisation and are available to all.

Continuing to drive an ethical culture from board level throughout the operations, Adapt IT has introduced policies to all its employees to align to the King IV™ recommended practices. In identifying effective prevention controls and detection mechanisms, Adapt IT has regard not only to international best practice as well as local laws such as the Prevention and Combating of Corrupt Activities Act of 2004, and any local standards specific to Adapt IT's industry for further guidance.

The Conflict of Interest and Anti-Bribery and Anti-Corruption policies offer guidelines on how to avoid conflicts of interest and highlight the application of prevention controls and detection mechanisms. They address the responsibility of all employees and third parties to disclose personal or financial interest by completing the Declaration of Interests form, which is readily available as an annexure to the policy.

Divisional executives are tasked with the responsibility of implementing Adapt IT mitigation measures that appropriately and adequately manage conflicts of interest; where they are required to review and identify preventative controls against corruption. Furthermore, they are responsible for taking appropriate decisions and actions in accordance with the provisions of policies.

To ensure that charitable donations are not used as disguises for corruption, all beneficiaries are reviewed and subject to a due diligence process in order to identify potential and actual conflicts of interest or the existence of undue relationships.

Successful combating of corruption is a collective effort between all stakeholders; the 24-hour Ethics Hotline provides an anonymous channel for stakeholders to report conduct that they suspect and know to be inconsistent with the provisions of the Adapt IT policies. An ethics survey is undertaken annually and reported on. All allegations or incidents will be investigated, and appropriate action taken.

There was one incident of suspected employee collusion in the theft of hardware inventory and the employees involved resigned or were dismissed.

Training takes place for all employees on a regular basis about Adapt IT's Behaviours Charter and the Ethics and Conduct Policy.

Anti-competitive behaviour

Adapt IT does not practice or condone anti-competitive behaviour. There have been no incidents or legal actions for anti-competitive behaviour, antitrust and monopolistic practices in the history of the company.

Industry associations

Adapt IT is not currently a member of any industry or other associations.

Achieve more.

SUSTAINABILITY REVIEW

PEOPLE

"PEOPLE ARE THE FOUNDATION OF ADAPT IT'S ACHIEVEMENTS, THEREFORE THE COMPANY IS COMMITTED TO SUPPORTING AND CHAMPIONING THEIR PROFESSIONAL DEVELOPMENT AND PROGRESS AND PROVIDING AN ENVIRONMENT THAT SUPPORTS THEIR PERSONAL NEEDS."

Approach to people

Adapt IT employees are the enablers to the intellectual property that differentiates the company from competitors. It is therefore essential that the Adapt IT work environment encourages excellence, development and provides support to employees during challenging times. The Covid-19 pandemic is such a challenge and has had an impact on Adapt IT employees – it is thus a priority to ensure that employees are supported as best as is possible. This has led the company to adopt effective response mechanisms. The HCM department is tasked with aiding the various divisions and ensuring that necessary assistance is available to employees.

As part of this process, Adapt IT has implemented supportive and informative policies and made these accessible to all employees. It is important that the policies and procedures governing these critical areas of the business are regularly updated. These key policies include, amongst others:

- Covid-19 Policy
- Grievance Policy
- Relocation and Transfer Policy
- Disciplinary Policy
- Recruitment and Selection Policy
- Remote Work Policy (under review)

As at 30 June 2020, Adapt IT had 1 117 (2019: 1 088) employees throughout its operations, including Johannesburg, Durban and Cape Town in South Africa as well as several international offices in Botswana, Kenya, Mauritius, Australia, New Zealand, Ireland and Singapore. The employee component is made up of permanent employees, fixed-term contractors, independent contractors and trainees.

The employment relationships between Adapt IT, its employees and workers within its supply chain are governed by the Basic Conditions of Employment Act, Employment Equity Act, Labour Relations Act and contractual agreements that adhere to these acts.

By ensuring that contracts are within the limitations of the law, avenues for recourse become available to the company as stipulated in the various codes. The continuous review of updates to labour laws provides the opportunity to identify areas to be changed within policies and terms of engagement.

For this section of the report, financial data as obtained from the ERP system and employee data from the HCM systems has been used to ensure employee information is collated and appropriately reported on. Reporting addresses:

- Employment
- Labour laws
- Diversity and equal opportunity
- Occupational Health and Safety
- Training and education
- Non-discrimination
- Child and forced labour
- Rights of indigenous people

Employment

Adapt IT continues to focus on its talent management strategy; the Executive Committee, the board, the Remuneration Committee as well as the Social and Ethics Committee members actively monitor reasons for attrition and the strategic initiatives to be implemented for the retention of employees. The HCM department is responsible for all matters that relate to employee policies and people initiatives.

Employee engagement is a key barometer of the state of employees and is instrumental in highlighting areas that management can improve upon. To this end, Adapt IT conducts an annual engagement survey, with the assistance of an independent third party.

Key indicators assessed in the survey include:

- employees' alignment with the company's strategic intent;
- employees' commitment to doing more than is required to help the company achieve its goals;
- talent fit and retention or engaged employees; and
- improvement of overall engagement levels.

Efforts to improve on the prior year's engagement survey have resulted in a positive outcome, with a remarkable improvement to the 2020 results, compared to 2019. The business obtained a 76% response rate and an extremely low sampling error, concluding that these results are truly representative. This is extremely pleasing given the current climate of Covid-19 and the impact this is having on human capital. In addition, there were no demographic outliers reported.

Adapt IT continues to focus on the following strategic initiatives related to people management:

- Training line managers to manage employees' performance and coach them in support of achieving their individual performance development plans.
- Succession planning is implemented for leadership roles and identified critical roles, which are a key intervention for business continuity.
- Focusing on activities that promote employee engagement and which support gaining a better understanding of how the organisation can continuously improve on the employee value proposition.
- Enhancing and rolling out culture initiatives to drive a cohesive values based culture.
- Increasing workforce analysis to obtain deeper insights and strategically manage the workforce.

Employee benefits

In addition to the statutory requirements of parental and annual leave, all permanent employees of Adapt IT are offered several benefits, including life insurance, disability cover and medical aid. The insurance benefits are provided for in employees' remuneration and are compulsory for all permanent employees.

Retirement contributions are provided for in remuneration packages of permanent employees, however, this is not a compulsory benefit, and employees may choose not to contribute to a retirement fund.

Adapt IT continues to support work/life balance amongst its employees by offering as much flexibility as possible. The Covid-19 pandemic has led to the implementation of remote work protocols and it has become ever more critical that this balance between work and personal life is encouraged and supported.

Achieve more.

Employment and labour law

The fair treatment and empowerment of employees is more than a compliance consideration and rooted in the genuine investment to employees as the core of Adapt IT's continued performance and growth. Compliance with the Labour Relations Act, the Basic Conditions of Employment Act, the Employment Equity Act and any related legislation, codes, rules or policies will continue to be paramount to Adapt IT.

The company promotes employee wellbeing and development by enhancing their capability to build innovative solutions as the key to delivering Adapt IT's vision of being a leading specialised software and digitally-led business solutions provider.

Adapt IT maintains and develops HCM policies to align with the most recent developments in the labour legislation and promotes continuous improvement in the workplace. Any new policies are communicated throughout the company to facilitate awareness and compliance.

The HCM department is responsible for ensuring that disciplinary cases are dealt with in line with the law and in a fair manner.

There is no trade union representation within Adapt IT and therefore there is no collective agreement or salary bargaining forum in place.

Culture based initiatives continue to be pursued in order to further entrench the values and promote a unified culture. One of the cultural projects that has been implemented is the monthly Culture Awards, whereby divisional and group executives are able to award employees who have best demonstrated the Adapt IT values.

Child, illegal and forced labour

Adapt IT prohibits child labour and does not recruit illegal or forced workers. Strict adherence to legislation such as the Basic Conditions of Employment Act and the Labour Relations Act is central to Adapt IT's operations. The Acts prohibit child, forced or compulsory labour or any illegal labour practices. Adapt IT adheres strictly to the law and there are no risks for incidents or occurrences of child, forced, compulsory or illegal labour.

Diversity and equal opportunity

Adapt IT is focused on diversity at board, executive and employee level, believing this to have strategic, transformational and operational benefits. This diversity covers race, gender, culture, age and skills. Diversity and equal opportunity thinking underpins the approach to succession planning and hiring policies.

Diversity of governance bodies and employees

Governance bodies

Adapt IT has always prided itself on a strong and diverse board. Board diversity in all forms – race, gender, business acumen, skills, and experience – continues to drive board succession planning when required leadership attributes are taken into consideration. Refer to page 54 of the Integrated Annual Report for more information on the board of directors.

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SUSTAINABILITY REVIEW

PEOPLE CONTINUED

The board of directors

Non-executive directors

CRAIG CHAMBERS

Independent
Non-Executive Chairman
Appointed to the board
3 May 2011

OLIVER FORTUIN

Lead Independent
Non-Executive Director
Appointed to the board
8 February 2013

ZIZIPHO NYANGA

Independent
Non-Executive Director
Appointed to the board
27 May 2019

CATHERINE KOFFMAN

Independent
Non-Executive Director
Appointed to the board
9 February 2015

Executive directors

SIBUSISO SHABALALA

Chief Executive Officer
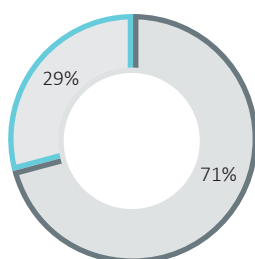Appointed to the board
5 December 2007

TIFFANY DUNSDON

Chief Commercial Officer
Appointed to the board
18 April 2002

NOMBALI MBAMBO

Chief Financial Officer
Appointed to the board
18 August 2016

Transformation

29%
71%

◯ Black
◯ White

Gender

43%
57%
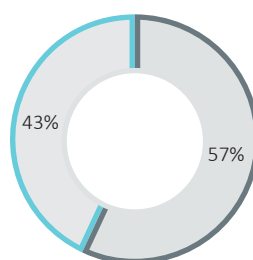
◯ Female
◯ Male

Tenure

14%
29%
57%
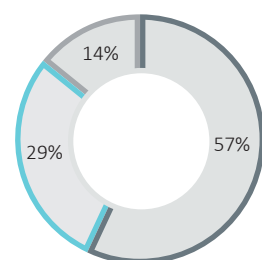
◯ 2 to 9 years
◯ 9 to 15 years
◯ >15 years

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EMPLOYEE STATISTICS – SOUTH AFRICAN OPERATIONS

Of the total employee headcount of 1 117, 1 048 are operational in South Africa and the breakdown is as follows:

Headcount

53% 47%
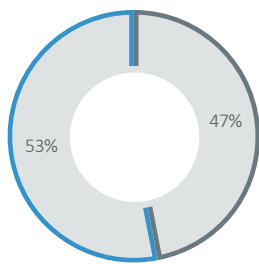
● Female 493   ● Male 555

Transformation

29%   52%   12%   2%   5%
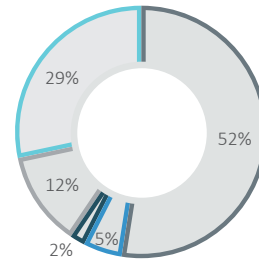
● African   ● Coloured   ● White
● Foreign National   ● Indian

Employee composition

31   73   63   881
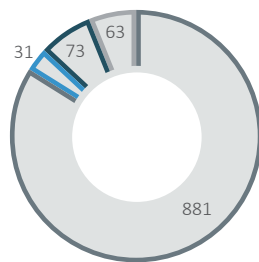
● Permanent employees   ● Fixed term contractors
● Independent contractors   ● Trainees

Management representation by race

Middle Management	20%	3% 4%	19%	55%
Senior Management	44%	6%	50%	
Top Management	50%	25%	25%	

0   20   40   60   80   100

● African   ● Coloured   ● Foreign National   ● Indian   ● White

Achieve more.
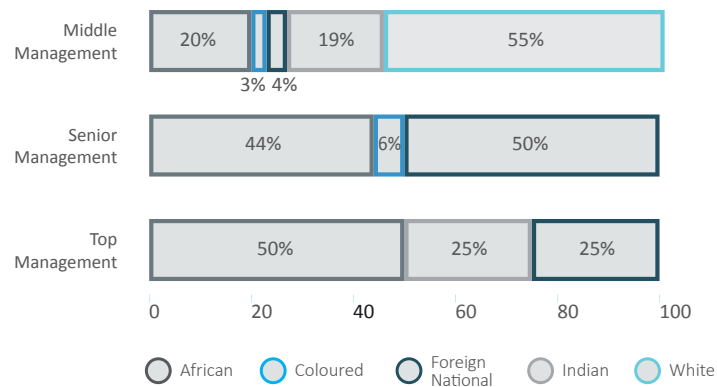
SUSTAINABILITY REVIEW

PEOPLE CONTINUED

Age analysis of employees

Adapt IT strives to ensure diversity across the workplace. Transformation is well entrenched across operating divisions and continues to be a focus of the employment landscape. The highest percentage of permanent employees falls into the youth category (up to 35 years), contributing 47% to total employee count, the grouping 36 to 45 years makes up 35% and the remainder (46 and above) makes up approximately 19% of the workforce.

Employee age distribution
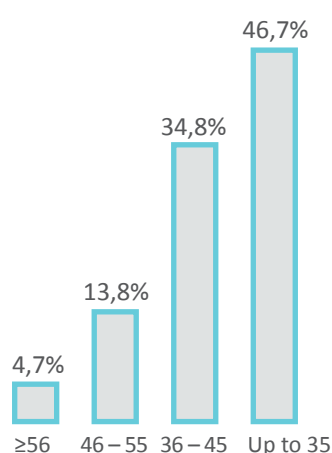
Equal remuneration

Adapt IT is committed to fair remuneration practices and has implemented HCM procedures that offer a centralised system to improve employee satisfaction, retain and acquire talent as well as enhance employee work experience and the workplace environment.

To this end, the company employs benchmarking tools to ensure internal parity across salary bands, thereby maintaining fairness and standardisation and retaining key talent. To support the process, Adapt IT subscribes to the PwC REMChannel salary benchmarking tool, which is periodically used to benchmark salaries to ensure the company remains competitive to the market whilst ensuring internal parity of equal pay for work of equal value.

The remuneration philosophy is developed on the back of an approved Reward and Remuneration Policy and it covers the following key areas:

- Guaranteed package salary adjustment principles
- Performance based short term incentives (bonus sales commission principles)
- Eligibility criteria
- Exceptions

As at the end of June 2020, the ratio of basic salaries of women to men was as follows:

- at executive level – salaries for men are on average 21% higher than salaries for women, compared to 18% from the previous year;
- at mid-level – salaries for men are on average 17% higher than salaries for women, compared to 29% from the previous year due to a conscious endeavour on the part of Adapt IT to ensure closer equality in functions which are the same; and
- at junior level – salaries for men are on average 15% higher than salaries for women, compared to 30% from the previous year.

While there have been improvements in parity gaps at junior and mid levels, there continues to be a focus on employee data and the improvement of workforce analytics. This will enable the HCM team to gain further insights and identify root causes for any demographic deviations such as male/female salary parity. Further rectifying procedures will be identified to address any deviations that are not justified.

Cultural diversity

Cultural diversity is important to Adapt IT and for this reason, a cultural initiative has been implemented to harness the different team cultures that exist within the business, overlaid with a foundation that is common across Adapt IT. Throughout the course of the financial year, various cultural projects have been executed in order to forge a culture that is aligned to the company values.

Countering discrimination

No incidents of discrimination or the violation of rights of indigenous people were reported during the reporting period, however, employees are encouraged to lodge grievances in line with the Ethics and Conduct Policy and have access to a hotline.

Occupational health and safety

Although Adapt IT is not involved in manufacturing processes or activities that could put employees in danger, the offices from which operations are run need to comply with safety standards. At all the buildings Adapt IT occupies, general safety features have been put in place, including quick and efficient evacuations in case of emergencies.

Adapt IT does not view safety as a compliance issue but rather as a fundamental way to operate. The health and safety of people is a priority and compliance with the Occupational Health and Safety Act is prioritised. Occupational and healthcare programmes include risk assessments, hygiene surveys, risk control measures and wellness days. Adapt IT recognises that employee well being is critical to the continuous delivery of high quality services and to the achievement of set organisational targets. An employee wellness programme, covering all aspects of physical and mental wellness, including confidential counselling services, is in place.

In addition to the standard occupational health and safety considerations, Adapt IT has implemented specific Covid-19 policies, procedures, mitigation and monitoring measures to limit the spread of the virus within the offices. Risk mitigation measures implemented are based on the recommendations made following the completion of a risk assessment by an independent third party. Furthermore, the company enlisted the services of a third party provider for guidance on the parameters of the various Covid-19 policies, procedures and training content.

Management is obliged to ensure that all safety and other legal requirements are complied with and that current best practices are identified and implemented. The training of employees on health and safety concerns is paramount, particularly of those in safety leadership roles such as health and safety representatives. Training is provided and where required, certification is obtained for relevant employee representatives.

Adapt IT policy governs the management approach towards health and safety in the workplace in line with the prescripts of the Occupational Health and Safety Act. The policy references the following standards:

- South African Occupational Health and Safety Act, no. 85 of 1993 (OHS Act)
- OSHAS 18001: Occupational Health & Safety Management System
- ISO 14001: Environmental Management System
- ISO 9001: Quality Management System

The policy is applicable to all Adapt IT entities and is relevant to all permanent employees and contractors based in South Africa – 881 permanent employees, 31 fixed term employees, 73 independent contractors, 63 trainees – as well as other contractors that perform work within Adapt IT premises, such as security, building maintenance, catering and cleaning services.

Covid-19 impact on people

As the Covid-19 pandemic progressed, with restrictions of movement and operations implemented in the regions within which, Adapt IT followed a dynamic response plan that was rooted decisive crisis leadership that focused on keeping its people safe. When countries began announcing lockdown measures in order to delay the spread of the virus and in some instances, enable healthcare systems to prepare and increase capacity, Adapt IT was able to lead a prompt implementation of remote work protocols, thus enabling the divisions to maintain acceptable levels of delivery to our customers. It began implementing remote work from 9 March 2020, following the confirmation of the first Covid-19 case in South Africa, its most significant operation.

Due to the restrictions implemented, some of the Adapt IT's customers have experienced (and in some instances, continue to experience) varying degrees of limitations on their operations and project work. As such, some of Adapt IT's own teams have had to consider various options related to reduced working hours and thus, reduced pay. The implementation thereof was driven at divisional level and was dependent on the impact on the teams – 395 employees were affected by the end of the financial year. During the last month of the financial year, June 2020, 50 employees were serving notice related to retrenchments that were effective from 1 July 2020.

As a result of this, the Adapt IT group executive established an Employee Contribution Pool, pledging 10% of their salaries for a period of six months to alleviate and reduce the financial impact on employees facing temporary or permanent reductions to their earnings because of the pandemic. The pool is open to employees to make voluntary financial contributions and annual leave forfeiture. The collection of these contributions enabled the organisation to limit projected salary reductions of nonproductive employees as well as increase financial support for permanently affected employees. For the period May 2020 to December 2020, a total of R2 566 068 has been committed to the pool by 80 employees, with R1 192 622 being cost to company (CTC) reductions from employees' salaries and 271 days of leave forfeiture amounting to R1 209 146. The pool was used to bolster retrenchment packages of permanently affected employees and to pay for their medical aid for a period of six months, starting in July 2020.

Remote work policy

Remote work will become part of the fabric of Adapt IT's approach to wellbeing beyond the Covid-19 pandemic. While flexible work policies had been a consideration within some of the teams, the pandemic has highlighted the ability of teams to maintain productivity in remote work settings. Adapt IT will implement a remote work policy, which is currently under draft review, alongside the use of tools to monitor work and manage productivity in order to ensure that sustainable productivity levels are maintained.

The policy seeks to offer employees multiple remote work options to enable management and employees to determine categories that are suitable for the teams – employees may apply for suitable options in consultation with management. The policy will include the following options:

- Home based work – for this option, the employee's primary work location will be their home and they will be required to perform most or all duties from home;
- Office based/work from home – for this option, the employee's primary work location will be the office, with regular arrangements to work from home; and
- Ad hoc working from home – for this option, the employee's primary work location will be the office, but they may occasionally request to work from home on an ad hoc basis.

Though Adapt IT premises are prepared for the full resumption of on premise operations, the company has taken a conservative approach to operations at its offices. It has permitted a maximum occupancy of 25% with average occupancy rates of 10% or less in Gauteng, Western Cape and KwaZulu-Natal respectively, between June and August 2020. The majority of Adapt IT employees continue to operate remotely in line with the remote work protocol implemented in early March 2020.

Reopening of premises

In preparation for the reopening of offices, Adapt IT consulted with independent providers to assist in implementing risk mitigation measures. A risk assessment was conducted at the head office in Johannesburg, which is the biggest Adapt IT office. The report highlighted various risk areas as well as mitigation measures. The risk matrix was shared with the regional offices to be implemented accordingly.

The identified mitigation measures are categorised into the following:

- Engineering measures or controls involve isolating employees from work related hazards. These are considered the most effective and where appropriate, these types of controls reduce exposure to hazards without relying solely on employee behaviour. They include measures such as installing high efficiency air filters, increased ventilation and physical barriers such as shields.
- Administrative measures, including safe work practices, require actions by both the employer and employee. These measures are changes in work policy or procedures to reduce or minimise exposure to a hazard. These measures were developed and updated in line with regulations and recommendations from the National Institute for Communicable Diseases (NICD) and the Department of Health.
- Personal Protective Equipment (PPE). While engineering and administrative controls are considered more effective in minimising exposure to Covid-19, PPE is needed to prevent certain exposures. The correct use of PPE can help prevent some exposures, and does not take the place of other prevention strategies.

A subsequent audit was performed by an independent third party at the Johannesburg campus against the initial risk register of the measures implemented and Adapt IT was found to be 100% compliant.

The company continues to closely monitor risk factors in the offices as well as infection trends within the country and will make further decisions on office occupancy in line with these key factors.

Infections

Adapt IT acknowledges that while measures are in place to minimise exposure to Covid-19, it is not possible to eliminate the risk. As such, policies and procedures are in place should there be infections or suspected infections at its offices. Thus far, nine Adapt IT employees have tested positive for Covid-19 and none of these infections were found to be work related infections. Of the employees who tested positive, four were infected away from the office and had not been to work following exposure. Five of the employees had been going into the office, and thus, appropriate precautionary measures were taken for employees that had been in contact with them.

Due to the strict measures in place, community transmission has not been observed at any of Adapt IT's offices.

Adapt IT remains vigilant and continues to monitor updates related to Covid-19 so that relevant updates in mitigation measures are made as necessary. The wellbeing of Adapt IT employees is paramount and remains at the forefront of management decision making, therefore caution will continue to be maintained.

Learning and development

The success of Adapt IT, including continuous innovation and growth, is rooted in the company developing talent and continuous upskilling and education of employees. To this end, a considerable amount of resources is committed to ensure that employees' skills and knowledge are aligned with business and technology developments.

Furthermore, all Adapt IT employees have a performance contract that is concluded with their managers, and reviewed twice a year. The employee performance contract also incorporates individual development plans as part of continuous career development.

A comprehensive learning and development framework is in place to ensure that skills development commitment is achieved, and that employees are developed to create a skilled workforce.

Achieve more.

SUSTAINABILITY REVIEW

PEOPLE CONTINUED

The table below is a breakdown of the amount spent on training during the financial year, according to the Actual Training Report (ATR).

Actual Training Report budget	Rand
Training spend 1 April 2019 to 31 March 2020 Training spend	**14 028 256**

Skills development

Achieving the company's commitment to skills development has been significantly improved in the 2020 financial year through the implementation of various skills development initiatives i.e. the Learnership Programme, with a significant number of learners of different disabilities being included, as well as the introduction and implementation of the IT Bursary Programme, catering for qualifications in Information Technology and Software Development specifically.

Learnership programme

The 12 month programme had 28 learners in the 2020 financial year, all of whom are African, including 12 with disabilities.

The total investment for Learnership Programme is R1.8 million, across the duration of the programme.

Adapt IT bursary scheme

The bursary scheme has been successfully implemented with a service provider, Fundi, which provides bursary management services. There are 37 bursars that have been registered in the programme following a selection process, including final year, Honours or postgraduate students. The total investment for the bursars made for the 2020 academic year is R4 million. Furthermore, Adapt IT funds two disabled bursars through Valhalla Arts, a 100% disability owned company.

Workplace skills plan

Training data is maintained according to the requirements of the Media, Information and Communications Technologies Sector Education and Training Authorities (MICT SETA), which prescribe monitoring periods between April and March. As such, from 1 April 2019 to 31 March 2020, 828 employees received formal training, however, time spent in training is not monitored.

Formal training	Employees
African male	220
African female	194
African disabled	5
Coloured male	13
Coloured female	19
Coloured disabled	1
Indian/Asian male	124
Indian/Asian female	88
Indian/Asian disabled	0
White male	91
White female	73
White disabled	0
Total male	448
Total female	374
Total disabled	6
Age group less than 35	409
Age group greater 35 to 55	400
Age group greater than 55	27

Ethics and conduct policy

Adapt IT is committed to maintaining the highest standards of honesty, integrity and ethical conduct. It has adopted an Ethics and Conduct policy to promote and enforce ethical conduct, business practices and standards within its operations and in its relationships with all third parties. These behaviours are embedded in the Behaviours Charter.

Good governance is one of the driving factors behind the growth and success of many organisations, including that of Adapt IT. Recognising this, the group views its public reputation as one of its most important assets and undertakes to always promote an ethical culture. Effective controls have been put in place to help sustain the culture and good governance in all of Adapt IT's business operations.

Ethical behaviour and anti corruption measures are embedded formally through policies, an Ethics and Conduct policy disseminated to all employees, procedures, training and compliance to the relevant laws and regulations. These measures are based on a strong foundation of ethical leadership and a commitment to making positive impacts.

Adapt IT believes that combating dishonest and corrupt behaviour is an undertaking that is best won with the participation and assistance of everyone. The anonymous and externally managed 24 hour, toll free Ethics Hotline enables this, should there be a need to blow the whistle.

Adapt IT has adopted and implemented the following values:

- Respect
- Honesty
- Responsibility
- Accountability

These values, together with the behaviours associated with them, provide general guidelines as to how employees should interact with each other, Adapt IT stakeholders and third parties, as well as how employees should conduct themselves.

Adapt IT recognises its obligations to all its stakeholders – particularly employees, shareholders, third parties, competitors, the authorities and the wider community. This policy is supported by policies and procedures relating to specific issues, processes and situations, and is a general guide in day to day decisions for training programmes, over and above assuring third parties of the integrity of Adapt IT and its employees.

The culture of the organisation

The culture cultivated within the company is geared towards excellence, diversity and good corporate citizenship. Adapt IT believes that an ethical environment focused on the development of its people promotes the achievement of excellence.

Please see the illustration of behaviours that are encouraged and promoted on page 5 of this report.

Achieve more.

SUSTAINABILITY REVIEW

TRANSFORMATION

Approach to transformation

Transformation and diversity have long been essential parts of Adapt IT's people strategy and a market differentiation. They play an important role in the success of the company. Therefore, Adapt IT will strive to remain at the forefront of transformation, not merely to fulfil B-BBEE requirements, but rather to entrench diversity within the organisation's culture and ensure sustainability into the future. This approach will ensure that Adapt IT is fully representative of the combined skills and talents of the communities in which it operates. B-BBEE encompasses many people based transformation measures aimed at improving equitable representation of all stakeholder groups to achieve a sustainable society.

Employment equity

Adapt IT is committed to driving diversity and inclusion as a core part of the group's human capital management strategy. The group's approach is to focus on skills and leadership development, with particular emphasis on the identification of talented historically disadvantaged individuals, for development and fast tracking into leadership roles. This business imperative is monitored by the Employment Equity Committee, which reports the progress and results of specific initiatives to the Social and Ethics Committee.

The demographic profile of Adapt IT at the end of the reporting period is as follows:

Learning and development

A comprehensive learning and development framework to ensure that skills development commitment is achieved, and that employees are developed to create a skilled workforce.

Skills development

Adapt IT's strategy requires talent with deep industry expertise, and therefore there is a focus on developing and retaining technically skilled employees and experts. Achieving the commitment in skills development improved significantly during the financial year through the implementation of various skills development initiatives such as the Learnership Programme, with a significant number of learners of different disabilities, and the introduction and implementation of the Bursary Programme, for qualifications in Information Technology and Software Development.

Adapt IT in partnership with the MICT SETA, has employed 43 learners who are all Africans and 12 of the learners are People with Disability. Adapt IT has also, successfully implemented Bursary Scheme, for the first time in 2020, in partnership with Fundi, the bursary administration service provider. There are 37 black bursars, that have been registered in the programme following selection process.

Skills development spend

R93 464
R1 850 856
R20 297 130

Black   White   Foreign nationals
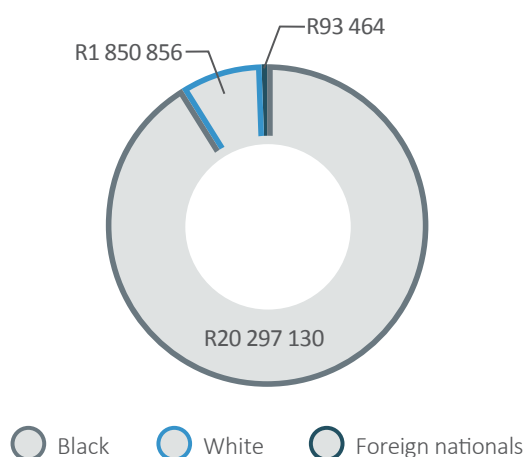
Employment equity profile
(as a percentage of headcount)

Female   Male
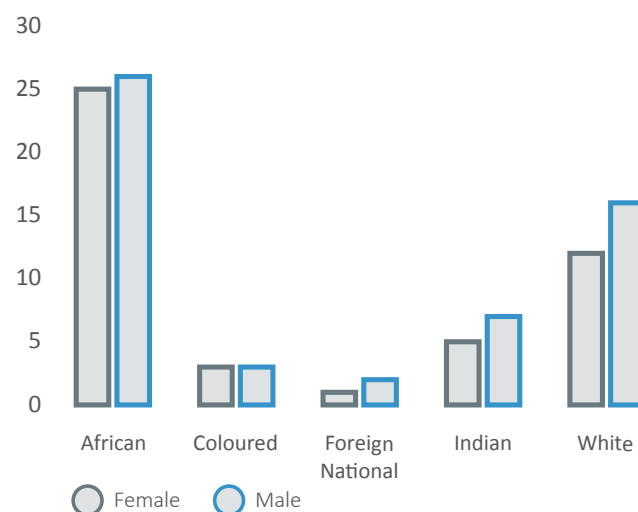
Ownership

As at 30 June 2020, 28% of the issued share capital of Adapt IT was held directly by black South African investors. This includes the 21% held by black directors, management and employees.

Driving broad-based black economic empowerment

During the financial year, Adapt IT (Pty) Ltd was reassessed and achieved a Level 1 rating. The company views empowerment as a strategic imperative and a vital component of the continued sustainability of its operations in South Africa, therefore it pursued reprioritised efforts towards its target of achieving a Level 1 rating. Furthermore, services of a third party were engaged in order to assist with achieving the target. The table below shows Adapt IT (Pty) Ltd's Level 1 scorecard.

Level 1 B-BBEE status	2020
Scorecard information	
Ownership	20,07
Management	16,74
Skills development	12,82
Supplier and enterprise development	54,00
Socio-economic development	12,00
Total score	115,63

SUSTAINABILITY REVIEW

TRANSFORMATION CONTINUED

Youth Employment Services (YES) Programme

The YES programme is a joint initiative, by private sector and government, that signifies considerable progress towards assisting South Africa's youth to gain work experience through employment placement. The programme aims to create one million work opportunities for unemployed black youth and transform their lives. During the financial year Adapt IT participated in the initiative as part of a broader transformation agenda to contribute towards a sustainable society.

Management control

Diversity of Adapt IT's board, non-executive directors and executive management are discussed from page 54 to 56 of the Integrated Annual Report.

Transforming the workforce

Adapt IT strives to ensure diversity across the workforce. Transformation is well entrenched across the business and continues to be a focus of the employment landscape. Employee statistics on pages 16 and 17reflect this.

Enterprise and supplier development

Adapt IT believes in facilitating the development of sustainable businesses that will create jobs. The company provides opportunities as well as assistance to a number of small and medium enterprises (SMEs).

Adapt IT invests in various black-owned businesses, through financial and non financial support. The businesses are led by software and solutions professionals and entrepreneurs who have leveraged Adapt IT's assistance and enterprise development support to accelerate the success of the business.

The businesses that have received the benefit of Adapt IT's assistance are: Infinitus Technologies (Pty) Ltd; ABD Consultants (Pty) Ltd; Slik Technology Solutions (Pty) Ltd; Sokone Technologies (Pty) Ltd, Uyandiswa Project Management Services (Pty) Ltd and Anathi Networking (Pty) Ltd.

SUSTAINABILITY REVIEW

ENVIRONMENTAL MANAGEMENT

"ADAPT IT IS COMMITTED TO ITS ENVIRONMENTAL STEWARDSHIP AND THUS MANAGES ITS FOOTPRINT, IN THE AREAS WHERE IT CAN, NOTWITHSTANDING ITS LIMITED IMPACT AS A SERVICE PROVIDER."

Approach to environmental management

Whilst this section relates to low priority topics, Adapt IT values the environment and has therefore included relevant information.

Internally, as a global company with 11 office environments under its operational control, Adapt IT recognises that how it manages its use of natural resources has an impact on the environment. The target is therefore to maximise energy efficiency and minimise water consumption and waste generation across all its operations. At this early stage of the environmental sustainability journey, Adapt IT is committed to managing its facilities to the highest industry standards as far as possible and to managing down the impact of its travel needs. The Covid-19 pandemic has proven to Adapt IT the high level of effectiveness that can be achieved through virtual meeting platforms. This experience will likely result in a permanent reduction to the travel related carbon footprint of Adapt IT going forward.

The company continues to improve and embed environmental management systems into normal business practices and operations. Nevertheless, it is important to note that the company is limited in what measures it can implement to manage down impacts, including financial considerations during this challenging period as the world deals with the Covid-19 pandemic, as well as limitations of tenancy.

The management of environmental sustainability related operations is predominantly at an operational level. Environmental performance, related to business premises, is managed and monitored by the operations managers and facilities teams.

At board level, the Social and Ethics Committee is accountable for environmental sustainability.

The Johannesburg campus is the focus of this section of the report as the most significant location of operation. The section addresses the following:

• Environmental compliance
• Energy
• Waste
• Water and effluent

Managing environmental impact

Adapt IT's initiatives towards responsible use of resources are focused on management of energy, water and waste as well as distribution network optimisation. The organisation intends to continue to evaluate formal measurement and reporting of the relevant indicators in line with the requirements of the GRI's Sustainability Reporting Standards.

Adapt IT has undertaken to improve reporting on the various sustainability topics, an exercise that will allow it to identify areas of improvement in reporting. This will then allow the organisation the opportunity to review the merit of improvement initiatives, based on impact and financial considerations.

The environmental management objectives include:

Operations

• Promoting a culture of environmental awareness
• Managing energy usage, enhanced by the single campuses in most regions of operation
• Reducing paper usage
• Regulatory compliance
• Migrating to Cloud-based data centres where possible

Client services

Reduced environmental impact through IT solution efficiencies such as offering customers Cloud-based platforms that reduce physical infrastructure requirements and delivering Adapt IT's services remotely where possible.

Environmental compliance

Adapt IT complies with environmental laws and by-laws. No fines or non monetary sanctions have been received for non compliance with environmental laws and regulations.

SUSTAINABILITY REVIEW

ENVIRONMENTAL MANAGEMENT CONTINUED

Energy

Though Adapt IT's ability to measure and assess its energy consumption at the Johannesburg campus is limited, as there are limited mechanisms to measure and categorise the various energy uses with the company, initiatives that aim to conserve energy are pursued with the aim of managing impact, in the interim.

There is an ongoing effort to improve the measurement and therefore optimisation of the overall consumption of energy. These include the use of LED lights, which are switched off in the evenings and on weekends, the staggered switching on of the air conditioning to avoid spikes and the heating, ventilation and air conditioning (HVAC) system is switched off at 18:00 every weekday and on weekends.

For the financial year ended 30 June 2020, electricity usage has fallen by 38% from the previous year – usage of electricity hours in the 2019 financial year was 2 409 hours, while it was 1 493 hours for the 2020 financial year, according to a report maintained by the designated external third party. It must be noted that load shedding, the countrywide lockdown and the adoption of remote work policies has had a considerable impact on consumption and will continue to do so, as the company redefines its working approaches and implements a hybrid model incorporating long term remote working policies.

The company sources energy for consumption from local municipalities and does not sell any energy back into the national grid.

Water and effluent

South Africa, Adapt IT's largest geography in employee and revenue terms, is a water-scarce country and even though operations do not use water beyond that which is used for consumption purposes, it acknowledges the need for conservative and sustainable use of this resource. While there is no manufacturing consumption; conservative water usage awareness is encouraged.

There currently is no standardised methodology across Adapt IT sites and progress varies across operations, for example:

- Durban office: storm water is attenuated and used for irrigation on site.
- Johannesburg campus: grey water (borehole and ground water) is filtered and softened to be used for non-drinking purposes, while municipal treated water is used for drinking. There are water tanks holding 30 000 litres of water as a reserve, affording the office two days' worth of water, should there be an interruption in availability of municipal water supply.

Water waste is discharged through the municipal sewage system and in the Johannesburg canteen kitchen, effluent is discharged according to the by-laws that require the use of grease trappers, which are serviced on a monthly basis by an external service provider.

Waste

Adapt IT's waste relates to consumption on the premises as the company does not have manufacturing operations. Furthermore, it does not generate hazardous waste, however, the general management of waste is considered material as it is important to reduce negative impacts in as many areas as possible.

In the office there are recycling bins for plastic and paper, as well as general waste bins. All the waste is collected and goes to a sorting area where it is sorted into various categories including recyclable waste, wet waste and waste for disposal. Wet waste is sent to a wet waste bio bin that collects waste for composting.

During the 2020 financial year, there was a 32% reduction of overall waste to 14 166kg (2019: 20 802kg); however, there was a slight increase in general waste from 9 050kg to 9 780kg. Overall plastic and plastic composite waste decreased from 3 357kg in the 2019 financial year, to 1 322kg, however, the use of polyconfibre cups has increased. The company will continue to drive the reduction of the generation of plastic and plastic composite waste by implementing measures such as the wider adoption of reusable containers and elimination of single use plastic.

Total waste generated

Waste type	Weight (kg) FY20	Weight (kg) FY19
General waste	9 780	9 050
Cardboard	988	1 452
Glass	570	162
Cans	513	574
Plastic PET	416	973
Common mix paper	393	1 320
Polyconfibre cups	374	8
White paper	360	61
Food waste – composting	240	4 826
Plastic LDPE	217	1 170
Tetrapack	213	32
Plastic High-density Polyethylene (HDPE)	102	952
Plastic Polystyrene (PS)	0	214
Plastic Polypropylene (PP)	0	8
Total waste	**14 166**	**20 802**

SUSTAINABILITY REVIEW

SOCIAL RESPONSIBILITY

"ADAPT IT HAS A LONG TRACK RECORD OF INVESTING IN THE UPLIFTMENT OF DISADVANTAGED SOUTH AFRICAN COMMUNITIES AND REMAINS COMMITTED TO CONTINUING WITH THIS PRACTICE THROUGH ITS SUSTAINABLE FINANCE PRACTICES AND POLICY OF EXTENDING THE IMPACT OF PROJECTS TO EMBRACE MORE BENEFICIARIES."

Approach to social responsibility

Adapt IT believes in making positive impacts to society as far as possible, which includes investing in communities and the promotion of human rights within operations, in line with laws and regulations such as:

- Basic Conditions of Employment Act
- Employment Equity Act
- Labour Relations Act
- Other local and international human rights regulations

Compliance with laws, regulations and policies (such as the Conflict of Interest Policy and Code of Ethics and Conduct) are applicable to Adapt IT employees and service providers in the employ of the company, as they govern the stance and operations regarding:

- Human rights
- Local community development
- Social supplier assessment
- Security practices
- Public policy

The company remains committed to making a difference in the lives of South Africans by investing time, effort and money into various initiatives. It has a duty to work within communities to create better, more equal societies in a sustainable manner. To this end, the company continually review updates on relevant laws and regulations in order to inform its policies and approach. The focus is on strategically aligned causes in areas that relate to Adapt IT's business, to which the business is suited to make meaningful contributions, such as Information Technology (IT) skills and education.

Local community development programme

As a result of engagement with communities surrounding the South African regional offices, Adapt IT embarked on a local community development programme based on local communities' needs as well as on its area of expertise. In this, the company aims to invest in larger longer term initiatives that are sustainable and provide the most benefit for disadvantaged communities.

Adapt IT knowledge centres

Based on the B-BBEE ICT sector legislation, Adapt IT is subject to obligations aimed at enhancing the socio-economic development of disadvantaged South African communities. As one of many worthy causes, Adapt IT has identified the need to invest in the education of school children in these communities. Adapt IT aims to engage in education related projects that will supplement Information and Communication Technology (ICT) education, and to build ICT infrastructure (computer labs) to encourage the growth of ICT skills within these communities.

The pledged Adapt IT funds are applied towards the ICT projects that meet the demographics specified in the Government Gazette for the ICT sector.

The Adapt IT Knowledge Centres were first established in 2013 with the opening of a facility in KwaZulu-Natal. This was followed by the launch of two more centres, one in Gauteng in 2014 and one in the Western Cape in 2015.

Adopt-a-School Foundation

In 2016, Adapt IT entered into a commitment with the Adopt-a-School Foundation (AASF), an organisation founded in 2002 aiming to foster a timebound relationship between the school and the funder.

Adapt IT through the AASF funds upliftment initiatives for disadvantaged South African communities. This aligns with the Adapt IT objective to support the future of South African education through the organisation's policy and sustainable financial practices. Thus far, Adapt IT has committed R5 837 500 towards the AASF, of which R1 883 500 was donated during the 2020 financial year.

In response to the spread of Covid-19, the South African government implemented a countrywide lockdown that saw schools and other businesses being shut down. While some schools were able to undertake virtual learning, most disadvantaged schools with limited resources were not entirely able to do so due to limited or unavailable resources. As a result, many learners experienced a significant interruption in their curricula. To assist, Adapt IT adopted Hlahlindlela Secondary School and Modilati Secondary School in order to provide support in mitigating the resulting Covid-19 restrictions and the subsequent impact on learners.

The primary beneficiary, Hlahlindlela, is based in Hillcrest, KwaZulu-Natal with a total of 979 registered learners. It has produced results that have been steadily and sustainably improving over the years. The school has an exceptionally dedicated leadership team with committed and well trained educators. With the support of Adapt IT, the school implemented an ICT based catch up programme intended to make up for the interruption in teaching and learning due to the Covid-19 lockdown. The programme focuses on educators and Grade 12 learners and consists of a full year educator ICT development programme that will provide training to the leadership of the school, including the School Governing Body (SGB).

The support programme provided tablets pre loaded with offline learning material for all 130 Grade 12 learners, to assist them as they prepare for their final year examinations. It provided laptops to educators who lacked access to computers during the lockdown, thereby allowing them to better support the learners, and assisted with the appointment of a fully trained Desktop Support Technician who will offer technical support to the entire school.

The provision of sponsored devices that can be taken home includes excellent teaching software that students can work through on their own after school hours, as well as be incorporated in the classroom. In addition, it will assist learners with comorbidities by enabling them to work from home, without being excluded from this academic year. This year long programme will further benefit future grade 12 classes that may need to catch up on content that they missed in the current year.

The project has reach and sustainability beyond being only a Covid-19 intervention; it will provide much needed resources to the school and empower learners with technological skills that are important for future learning and employability. Furthermore, the programme's Desktop Support Technicians that are trained by AASF in various communities, have been able to become self-employed, providing support in their respective communities.

SUSTAINABILITY REVIEW

SOCIAL RESPONSIBILITY CONTINUED

Grade 12 pass rate (%)

— Hlahlindlela — Modilati
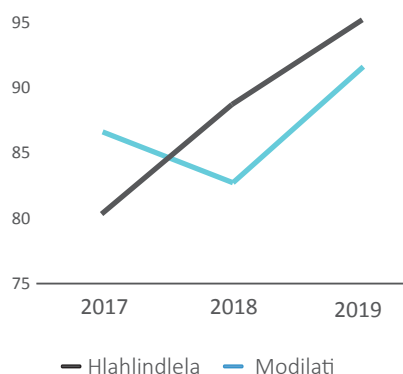
As mentioned, Modilati Secondary School was identified as a suitable secondary beneficiary of the project. With 1 780 learners, the school is based in Hammanskraal in the Gauteng province and is one of the most sustainable schools supported by AASF since its adoption in 2007. The 40 year old school is based in a community with a deep rooted history dating back to the 1800s. It has been producing good results, having started offering Grade 12 only in 2015, and with 156 Matric learners in 2020. The school is run by an excellent school leadership, with dedicated SGB members and very passionate and committed educators.

The Covid-19 pandemic has highlighted the importance of technology and its ability to facilitate and enable communication and information sharing, which are important foundation blocks of education. At Modilati, some of the educators had no means or instruments to access online teaching to permit remote and online teaching. To address this, Adapt IT assisted the school by providing laptops to these educators to ensure that all educators have access to computers and are able to teach more effectively, remotely and in class, and provide useful resources to learners.

These initiatives continue to help improve learning environments for underprivileged learners in various parts of the country. Providing improvements to schooling facilities and resources is an impactful approach to ensuring that learners have access to strong foundations that could impact their lives in the long term.

Supplier social assessment

Adapt IT makes a concerted effort to adhere to the prescripts of the laws and regulations and ensure that suppliers are assessed to the satisfaction of the company's governance requirements. During the financial year, the company implemented a governance vetting process for new suppliers to ensure that potential vendors go through a qualification process. Governance personnel are responsible for this process.

Furthermore, Adapt IT seeks to align with B-BBEE Code, the goal of which is to promote economic transformation and the empowerment of previously disadvantaged groups in South Africa. To this end, all local vendors in South Africa are subjected to a registration process that requires them to provide their B-BBEE credentials; vendors are required to have B-BBEE ratings between 4 and 1.

The specific B-BBEE credentials required include:

- Annual company revenue
- B-BBEE level
- Black ownership percentage
- Black female ownership percentage
- Black disabled ownership percentage
- Confirmation of whether supplier is a Value-Added Supplier or Empowering Supplier
- Confirmation of whether supplier is a recipient of Enterprise/Supplier Development
- Confirmation of whether a first time supplier

These credentials indicate if a supplier is B-BBEE compliant (including procuring from local vendor and creating employment opportunities for previously disadvantaged groups), is a good citizen entity that does not violate human rights and is compliant with South African regulatory requirements.

In the year under review no supplier grievances were lodged.

Public policy

Adapt IT is not involved in any initiatives regarding public policy positions, policy development or lobbying. The company maintains an independent stance with political parties, politicians and related institutions. Adapt IT requires strict adherence to its Conflict of Interest Policy and Code of Ethics and Conduct.

Human rights assessment

There have been no human rights assessments conducted at any of the Adapt IT operations. The Human Rights Commission conducts assessments when there have been grievances filed and thus far, no human rights grievances have been lodged against Adapt IT.

Achieve more.

SUSTAINABILITY REVIEW

SYSTEMATIC CONSIDERATIONS FROM TECHNOLOGY DISRUPTIONS

Approach

Adapt IT strives to operate using robust and reliable technology that provides the required functionality as well as resilient technology infrastructure. This requires financial investment into enhancing the capabilities of systems, enhancing technology efficiencies and maintaining the integrity of information assets.

Furthermore, significant effort is placed on maintaining privacy measures to secure data, this is a legal and reputational imperative component of Adapt IT operations.

To ensure best practice, Adapt IT focuses on consolidating and standardising infrastructure and software used within the business. There is a consistent drive to seek opportunities to simplify and reduce dependence on internal infrastructure, and encourage the use of Cloud technologies, thus, dependency on internal data centres has been reduced.

IT-related management, assessment, risk mitigation and addressing concerns is operationally managed under the oversight of the IT Steering Committee, which forwards issues to the Audit and Risk Committee where warranted.

Data security in Adapt IT is governed by the Information Security Policy, which is based on global leading industry practices and standards such as ISO/IEC 27001:2005. The policy encompasses people, process and technology elements within Adapt IT, and provides the framework by which data privacy and security are managed across the organisation. Procedures and controls have been implemented according to the policy and are monitored and reviewed annually through the General IT Controls audit performed by the company's auditors.

Remediation of vulnerabilities and shortcomings identified by a cyber security risk review, conducted during the 2019 financial year, continued during the 2020 financial year. These include:

- Deployment of a Data Loss Prevention solution
- General Data Protection Regulations (GDPR) and Protection of Personal Information Act (POPIA) compliance posture assessment
- Clean up of Office 365 shared mailboxes
- Ongoing cyber security awareness training

Managing systems and infrastructure

The general rise in cybercrime has driven Adapt IT to reinforce the cyber security protection and governance across the organisation in order to assess the level of risk exposure and to address any vulnerabilities. A standards based cyber security management framework has been defined and governance processes have been implemented across the organisation to ensure sustainable reduction and management of cyber security risk exposure.

Adapt IT places significant focus on customer privacy and data security risks, resulting in an approach that is continuously reviewed and enhanced. A consolidated and standardised strategy is implemented across Adapt IT's landscape, including the monitoring and proactive identification of data security risks. The end-user device encryption solution, initiated at the head office in Johannesburg, was rolled out to the Durban and Cape Town offices as part of the process. Following the completion of the implementation in South Africa, the rollout will follow in all the rest of the international offices.

A number of initiatives have been implemented to strengthen the security of corporate data assets. An audit of the Mimecast email security policies has been conducted to further protect against phishing and impersonation email attacks. A review of backup and restore procedures of critical datasets has also been performed to ensure recoverability.

Furthermore, a POPIA/Data Privacy final implementation project commenced to ensure that Adapt IT is compliant.

The change management process for the group financial system was improved to strengthen the motivation, quality analysis, approval, communication, roll forward and roll back plans of any changes made to the system.

Further initiatives will be completed following further relaxations of Covid-19 lockdown regulations. These initiatives include the completion of the device encryption rollout to the rest of the company, the implementation of Office 365 account multi-factor authentication and integration between Active Directory and the HCM system.

Business continuity

The importance of business continuity has never been more critical as highlighted by the progression of the Covid-19 pandemic throughout the world. In response to the spread of the virus, countries have had to implement lockdown measures that restrict movement in varying degrees. These limitations have often meant closure of business premises and the initiation of remote work policies. Due to the nature of the Adapt IT business and its reliance on Cloud-enabled technology over physical infrastructure, the transition to virtualised workspaces in response to lockdown measures, was not only very swift, but largely effective, with a substantial majority of employees being able to continue working remotely.

Cloud-based licences and subscriptions

Adapt IT actively pursues a Cloud strategy to reduce system availability risks and take advantage of the scalability and agility advantages of the Cloud. This strategy dictates that internal and customer facing systems be Cloud-based where possible. Therefore, the majority of Adapt IT's systems (over 80%) are either Software as a Service (SaaS) systems or employ Cloud services to host the systems.

There are two ongoing projects relating to Cloud and hosting consolidation, which will assist Adapt IT to reduce the complexity and the risk surrounding various hosting environments, that were initiated to further the organisation's Cloud strategy. The projects are at the planning and training stages respectively and will be rolled out during the 2021 financial year.

Security incidents and mitigation

During the financial year under review, two security incidents occurred and were dealt with accordingly. The first incident involved a test environment for a Website Usage Portal, which was exposed to the public web with no authentication mechanism implemented, thereby exposing the data of four customers. The test environment was shut down upon identification of this exposure, and the extent of the incident proved not to be significant, with no sensitive personal data being accessed. This further highlighted the importance of ongoing security awareness training within teams in order to address security risks that emanate from within the organisation.

In the second incident, two customers received fraudulent change of bank details requests from a debtors clerk's email address, which had been harvested from a laptop that had been stolen. No monetary loss was incurred as the customers contacted the finance team in order to determine the validity of the requests.

The ongoing Cyber Security Awareness Training programme and the rollout of two-factor authentication and encryption on all devices are expected to further mitigate against attempts such as those mentioned above. The company continues to prioritise cyber security and continuously seeks opportunities to improve upon current processes and measures.

Technology, systems and processes

In order to deliver high quality solutions and services, the reliability and effectiveness of the company's technology, systems and processes is key. The soundness of processes across Adapt IT's service offering, data security and protection and efficiency enhancements are managed through proven and evolving governance practices. The company aims to reduce as far as possible severe incidents related to people or process failures.

Achieve more.

ADAPT IT SUSTAINABILITY JOURNEY

"ADAPT IT CONTINUES TO IMPROVE ON ITS SUSTAINABILITY REPORTING IN ORDER TO BETTER HIGHLIGHT THE IMPORTANT ROLE THAT SUSTAINABILITY PLAYS IN THE COMPANY. IT PROVIDES AN OPPORTUNITY TO ENHANCE THE COMPANY'S SUSTAINABILITY PERFORMANCE BY HIGHLIGHTING AREAS OF IMPROVEMENT."

Adapt IT continues to pursue the following objectives:

- to continue to refine priority material issues into a set of goals and targets, guided by the GRI's Sustainability Reporting Standards
- to further implement against these plans, assess performance and report on progress

For the 2020 Sustainability Report, Adapt IT further refined disclosures related to environmental management, but kept all other disclosures unchanged in order to maintain comparability with the previous report. Notwithstanding putting on hold some of the initiatives, the company continues to make progress and put considerable effort into improving the reporting framework.

Achieve more.

Achieve more.

GRI CONTENT INDEX

"In accordance" – Core

| AGM | Annual General Meeting | IR | Integrated Annual Report 2020 | N/A | Not applicable | SR | Sustainability Report 2020 |

Reports available on the Adapt IT website at www.adaptit.com

GRI Standard	Disclosure	Ref	Reference in the report(s)
General disclosures			
GRI 101: FOUNDATION 2016			
Organisational profile			
GRI 102: General Disclosures 2016	102-1 Name of the organisation	IR2	*About Adapt IT*
	102-2 Activities, brands, products, and services	IR4,6,38	*What Adapt IT Does, Business Model, Segmental Performance*
	102-3 Location of headquarters	IR4, SR ibc	*What Adapt IT Does, Corporate Information*
	102-4 Location of operations	IR4, SR ibc	*What Adapt IT Does, Corporate Information*
	102-5 Ownership and legal form	IR2	*About Adapt IT*
	102-6 Markets served	IR2,4, 38	*About Adapt IT, What Adapt IT Does, Segmental Performance*
	102-7 Scale of the organisation	IR4, 3, 80, SR17	*What Adapt IT Does, Turnover by Geography, Annual Financial Statements, People*
	102-8 Information on employees and other workers	SR14, 18	*Approach to People, Occupational Health and Safety*
	102-9 Supply chain	IR10, SR12	*Stakeholder engagement, Procurement Practices*
	102-10 Significant changes to the organisation and its supply chain	IR16, 27,38	*Managing Material Issues, Acquisition History, Segmental Performance*
	102-11 Precautionary Principle or approach	IR16, SR23	*Managing Material Issues, Environmental management*
	102-12 External initiatives	IR57, SR2	*Governance Framework, Chairman's Letter - Social and Ethics Committee*
	102-13 Membership of associations	SR2, 1	*Chairman's Letter – Social and Ethics Committee, About the Sustainability Report*
Strategy			
GRI 102: General Disclosures 2016	102-14 Statement from senior decision-maker	SR2,4	*Chairman's Letter – Social and Ethics Committee, CEO's Statement*
	102-15 Key impacts, risks, and opportunities	IR10, 16, SR8	*Stakeholder Engagement, Managing Material Issues, Sustainability Materiality Analysis*
Ethics and Integrity			
GRI 102: General Disclosures 2016	102-16 Values, principles, standards, and norms of behaviour	SR5, IR5	*Purpose, Personality, Values and Culture*
	102-17 Mechanisms for advice and concerns about ethics	IR19, SR12	*Anti-Corruption*
Governance			
GRI 102: General Disclosures 2016	102-18 Governance structure	IR60	*Governance Structure*
	102-19 Delegating authority	IR59, 60	*Delegation of Authority, Governance Structure*
	102-20 Executive-level responsibility for economic, environmental, and social topics	IR53, SR2	*The Board – Committees, Chairman's Letter – Social and Ethics Committee*
	102-22 Composition of the highest governance body and its committees	IR53	*The board – Committees*
	102-23 Chair of the highest governance body	IR58, 54	*Composition of Board of Directors, The Board of Directors*
	102-24 Nominating and selecting the highest governance body	IR61	*Governance Structure – Nominations Committee*
	102-25 Conflicts of interest	IR58	*Board Charter and Responsibilities*
	102-26 Role of highest governance body in setting purpose, values, and strategy	IR57	*Governance Framework – Board Meetings*
	102-28 Evaluating the highest governance body's performance	IR60	*Governance Structure – Board and Committee Evaluation*
	102-30 Effectiveness of risk management processes	IR66	*Approach to Governance of Risk; Risk Management*
	102-32 Highest governance body's role in sustainability reporting	SR1, 2, 3	*Board Approval, Chairman's Letter – Social and Ethics Committee, CEO's Statement*
	102-35 Remuneration policies	IR68	*Remuneration Report*

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General disclosures continued

Stakeholder engagement

GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	IR10	*Stakeholder Engagement*
	102-41	Collective bargaining agreements	SR15	*Employment and Labour Law*
	102-42	Identifying and selecting stakeholders	IR10	*Stakeholder Engagement*
	102-43	Approach to stakeholder engagement	IR10, 16	*Stakeholder Engagement, Managing Material Issues*
	102-44	Key topics and concerns raised	IR10	*Stakeholder Engagement*

Reporting practice

GRI 102: General Disclosures 2016	102-45	Entities included in the consolidated financial statements	IR3, 80	*Turnover by Geography, Annual Financial Statement*
	102-46	Defining report content and topic Boundaries	IR1, SR1, 8	*IR – About the Integrated Annual Report, SR – About the Sustainability Report, Sustainability Materiality Analysis*
	102-47	List of material topics	SR9	*Prioritisation*
	102-48	Restatements of information	IR153	*Notes to Annual Financial Statements – Restatement*
	102-49	Changes in reporting	SR1	*About this Report*
	102-50	Reporting period	IR1	*About the Integrated Annual Report*
	102-51	Date of most recent report	IR1	*Reporting Scope*
	102-52	Reporting cycle	SR1	*Reporting Scope*
	102-53	Contact point for questions regarding the report	SR1, www.adaptit.co.za/investor-dashboard	*SR – Reporting Scope, IR – Website: Investor Dashboard*
	102-54	Claims of reporting in accordance with the GRI Standards	SR1	*Reporting Framework*
	102-55	GRI content index	SR30	*GRI content index*
	102-56	External assurance	IR1, SR1	*Assurance*

Material topics

200 SERIES (ECONOMIC TOPICS)

Economic performance

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SR11, 1	*Economic Sustainability – Approach, Reporting Scope*
	103-2	The management approach and its components	SR11	*Economic Sustainability – Approach*
	103-3	Evaluation of the management approach	SR11	*Economic Sustainability – Approach*
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	SR11	*Economic Performance*

Market presence

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SR11, 1	*Economic Sustainability – Approach, Reporting Scope*
	103-2	The management approach and its components	SR11, 12	*Economic Sustainability – Approach, Market Presence*
	103-3	Evaluation of the management approach	SR11	*Economic Sustainability – Approach*
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	SR12	*Market Presence*

Procurement practices

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SR11, 1	*Economic Sustainability – Approach, Reporting Scope*
	103-2	The management approach and its components	SR11, 12	*Economic Sustainability – Approach, Procurement Practices*
	103-3	Evaluation of the management approach	SR11	*Economic Sustainability – Approach*
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	SR12	*Procurement Practices*

GRI CONTENT INDEX CONTINUED

Material topics continued

Anti-corruption

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SR11,1	*Economic Sustainability – Approach, Reporting Scope*
	103-2	The management approach and its components	SR11, 12	*Economic Sustainability – Approach, Anti-Corruption*
	103-3	Evaluation of the management approach	SR11	*Economic Sustainability – Approach*
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	SR12	*Anti-Corruption*
	205-3	Confirmed incidents of corruption and actions taken	SR12	*Anti-Corruption*

Anti-competitive behaviour

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SR11, 1	*Economic Sustainability – Approach, Reporting Scope*
	103-2	The management approach and its components	SR11, 12	*Economic Sustainability – Approach, Anti-competitive Behaviour*
	103-3	Evaluation of the management approach	SR11	*Economic Sustainability – Approach*
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	SR12	*Anti-competitive Behaviour*

300 SERIES (ENVIRONMENTAL TOPICS)

Environmental compliance

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SR1, 23	*Reporting Scope; Environmental Management – Approach*
	103-2	The management approach and its components	SR23	*Environmental Management – Approach*
	103-3	Evaluation of the management approach	SR23	*Environmental Management – Approach*
	306-1	Waste generation and significant waste-related impacts	SR24	*Waste*
	306-2	Management of significant waste-related impacts	SR24	*Waste*
GRI 302: Energy 2016	302-1	Energy consumption within the organization	SR24	*Energy*
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	SR24	*Water and Effluents*
GRI 306: Waste 2020	306-3	Waste generated	SR24	*Waste*
	306-4	Waste diverted from disposal		
	306-5	Waste directed to disposal		
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	SR23	*Environmental Compliance*

400 SERIES (SOCIAL TOPICS)

Employment

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SR1, 14	*Reporting Scope, Approach to People, Employment*
	103-2	The management approach and its components	SR14	*Approach to People*
	103-3	Evaluation of the management approach	SR14	*Approach to People*
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR14	*Employee Benefit*

Labour/Management relations

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SR1, 14	*Reporting Scope, Approach to People*
	103-2	The management approach and its components	SR14	*Approach to People*
	103-3	Evaluation of the management approach	SR14	*Approach to People*
GRI 402: Labour/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	SR15	*Employment and Labour Law*

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Material topics continued

400 SERIES (SOCIAL TOPICS) continued

Occupational health and safety

GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SR1, 18	*Reporting Scope, Approach to People, Occupational Health and Safety*
	103-2	The management approach and its components	SR14, 18	*Approach to People, Occupational Health and Safety*
	103-3	Evaluation of the management approach	SR14, 18	*Approach to People, Occupational Health and Safety*
	403-1	Occupational health and safety management system	SR18	*Occupational Health and Safety*
	403-2	Hazard identification, risk assessment, and incident investigation	SR18	*Occupational Health and Safety*
	403-3	Occupational health services	SR18, 8	*Occupational Health and Safety, Stakeholder Engagement – Employees*
	403-4	Worker participation, consultation, and communication on occupational health and safety	SR18	*Occupational Health and Safety*
	403-5	Worker training on occupational health and safety	SR18, 8	*Occupational Health and Safety, Stakeholder Engagement – Employees*
	403-6	Promotion of worker health	SR18, 8	*Occupational Health and Safety, Stakeholder Management- Employees*
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR18	*Occupational Health and Safety*
GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	SR18	*Occupational Health and Safety*

Training and Education

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SR1,14, 19	*Reporting Scope, Approach to People, Learning and Development*
	103-2	The management approach and its components	SR19, 20, 21	*Learning and Development, Workplace Skills Plan, Transformation – Learning and development*
	103-3	Evaluation of the management approach	SR19	*Learning and Development*
GRI 205: Anti-corruption 2016	404-2	Programmes for upgrading employee skills and transition assistance programmes	SR19, 20, 21	*Learning and Development, Workplace Skills Plan, Transformation – Learning and development*
	404-3	Percentage of employees receiving regular performance and career development reviews	SR19	*Learning and Development*

Diversity and equal opportunity

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary The management approach and its components	SR1, 14, 21	*Reporting Scope, Approach to People, Transformation – Approach, Approach to People, Employment Equity Transformation- Approach, Employment Equity*
	103-2	The management approach and its components	SR14, 21	*Approach to People, Transformation- Approach, Employment*
	103-3	Evaluation of the management approach	SR14, 21	*Approach to People*
GRI 103: Management Approach 2016	405-1	Diversity of governance bodies and employees	SR16, 17	*Diversity and Equal Opportunity*
	405-2	Ratio of basic salary and remuneration of women to men	SR18	*Equal Remuneration*

Non-discrimination

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SR1, 14	*Reporting Scope, Approach to People*
	103-2	The management approach and its components	SR14	*Approach to People*
	103-3	Evaluation of the management approach	SR14	*Approach to People*
GRI 103: Management Approach 2016	406-1	Incidents of discrimination and corrective actions taken	SR18	*Countering Discrimination*

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GRI CONTENT INDEX CONTINUED

Material topics continued				
400 SERIES (SOCIAL TOPICS)				
Child labour				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SR1, 14,15	*Reporting Scope, People – Approach to People, Employment and Labour Law*
	103-2	The management approach and its components	SR14,15	*Approach to People, Employment and Labour Law*
	103-3	Evaluation of the management approach	SR14,15	*Approach to People, Employment and Labour Law*
GRI 201: Economic Performance 2016	408-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	SR15	*Employment and Labour Law*
Forced or compulsory labour				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SR1, 14, 15	*Reporting Scope, Approach to People, Employment and Labour Law*
	103-2	The management approach and its components	SR14, 15	*Approach to People, Employment and Labour Law*
	103-3	Evaluation of the management approach	SR14, 15	*Approach to People, Employment and Labour Law*
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	SR15	*Employment and Labour Law*
Rights of Indigenous People				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SR1, 14	*Reporting Scope, People – Approach to People*
	103-2	The management approach and its components	SR14	*People – Approach to People*
	103-3	Evaluation of the management approach	SR14	*People – Approach to People*
GRI 411: Rights of indigenous people	411-1	Rights of indigenous people	SR18	*Countering Discrimination*
Human rights assessment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SR1, 25	*Reporting Scope, Social Responsibility – Approach*
	103-2	The management approach and its components	SR25	*Social Responsibility – Approach*
	103-3	Evaluation of the management approach	SR25	*Social Responsibility– Approach*
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	SR26	*Human Rights Assessment*
	412-2	Employee training on human rights policies or procedures	SR26	*Human Rights Assessment*
Local communities				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SR1, 25	*Reporting Scope, Social Responsibility – Approach, Local Community Development Programme*
	103-2	The management approach and its components	SR25	*Social Responsibility – Approach, Local Community Development Programme*
	103-3	Evaluation of the management approach	SR25	*Social Responsibility – Approach, Local Community Development Programme*
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	SR25	*Local Community Development Programme*

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Material topics continued				
400 SERIES (SOCIAL TOPICS)				
Supplier social assessment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SR1, 25, 26	*Reporting Scope, Social Responsibility – Approach, Supplier Social Assessment*
	103-2	The management approach and its components	SR25, 26	*Social Responsibility – Approach, Supplier Social Assessment*
	103-3	Evaluation of the management approach	SR25, 26	*Social Responsibility – Approach, Supplier Social Assessment*
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	SR26	*Supplier Social Assessment*
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GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SR1,25, 26	*Reporting Scope, Social Responsibility – Approach, Public Policy*
	103-2	The management approach and its components	SR25, 26	*Social Responsibility – Approach, Public Policy*
	103-3	Evaluation of the management approach	SR25, 26	*Social Responsibility – Approach, Public Policy*
GRI 415: Public Policy 2016	415-1	Political contributions	SR26	*Public Policy*
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GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SR1,27	*Reporting Scope, Systemic Risks from Technology Disruptions – Approach*
	103-2	The management approach and its components	SR27	*Systemic Risks from Technology Disruptions – Approach*
	103-3	Evaluation of the management approach	SR27	*Systemic Risks from Technology Disruptions – Approach, Managing Systems and Infrastructure*
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR27	*Security incidents and mitigation*
IT-SPECIFIC TOPICS				
Systemic considerations from technology disruptions				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	SR1,27	*Reporting Scope, Systemic Risks from Technology Disruptions – Approach*
	103-2	The management approach and its components	SR27	*Systemic Risks from Technology Disruptions – Approach*
	103-3	Evaluation of the management approach	SR27	*Systemic Risks from Technology Disruptions – Approach*
Systemic Considerations from Technology Disruptions		Performance issues	SR27	*Managing Systems and Infrastructure, Technology, Systems and Processes*
		Description of business continuity risks related to disruptions of operations	SR27	*Business Continuity*
		Number of licenses or subscriptions and percentage that is Cloud based	SR27	*Cloud-Based Licences and Subscriptions*

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CORPORATE INFORMATION

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Incorporated in the
Republic of South Africa
Registration number 1998/017276/06
Share code: ADI
ISIN: ZAE000113163
JSE Main Board Sector: Technology,
Software and Computer Services
Listing date: 1998
Shares in issue: 144 887 497
(as at 30 June 2020)
Net of treasury shares: 137 261 840

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