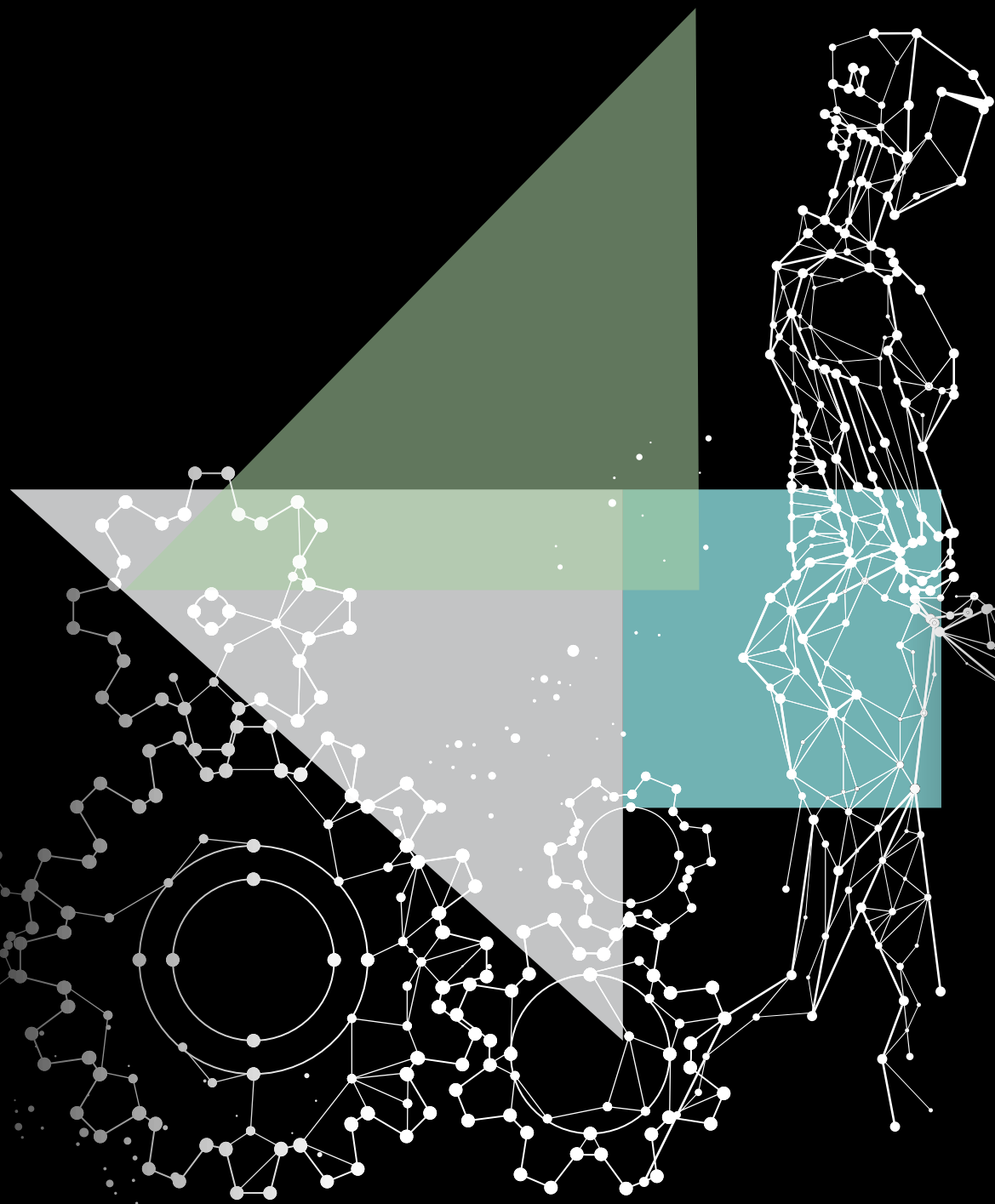


Integrated Report 2022



EOH

pg 5



Salient features

EOH generated an operating profit of R282 million for FY2022

pg 25



Strategy

EOH is now a well-balanced and sustainable business with a solid foundation to drive future growth

pg 32



CEO's Report

Our collective confidence is underpinned by the business' ever-improving cash flow generation and positive momentum



We exist to **improve** lives through the **technologies** we **create**, leaving the world better than we found it.

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Our purpose is to solve courageously, exponentially and together.

Registered address

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PO Box 59, Bruma, 2026
Telephone: +27 (0) 11 607 8100

We welcome your feedback to make sure we are covering the things that matter to you
Go to: www.eoh.co.za or email: ir@eoh.com for the feedback form.

www.eoh.co.za

Strategy icons:



Forward-looking statements

This report contains forward-looking statements which are based on assumptions and management's view of EOH's future performance. Such statements are, by their nature, estimates, subject to risks and uncertainties, which may result in EOH's actual performance being different from that expressed or implied in any forward-looking statements. These statements have not been audited by EOH's external auditor.



About the Integrated Report

EOH Holdings Limited is committed to transparent reporting and aims to provide information to its stakeholders that will allow them to make informed decisions about the Company's ability to create value.

Scope of the report

In this report, the performance of the Company and its subsidiaries (hereafter referred to as "EOH" or "the Company" or "the Group"), as well as its associates and joint ventures is reviewed for the year ended 31 July 2022. The report also covers EOH's strategic journey value-creation model, governance practices, sustainability, and an overview of the risks that EOH encountered in the 2022 financial year.

The full set of audited consolidated annual financial statements are available on the website at <https://www.eoh.co.za/investor-relations/integrated-annual-reports/>.

Preparation of the integrated report

The following reporting requirements, guidelines and frameworks were considered when preparing this report:

- The Companies Act of South Africa;
- The Listings Requirements of the JSE Limited ("JSE Listings Requirements");
- The principles of the King IV Report on Corporate Governance™ or King IV™ ("King IV")*;
- The Global Reporting Initiative's ("GRI's") Sustainability Reporting Standards;
- The UN Sustainable Development Goals ("SDGs");
- International Financial Reporting Standards ("IFRS"); and
- International Integrated Reporting Council ("IIRC") Integrated Reporting (<IR>) Framework.

EOH continues to progress on the journey outlined by King IV while ensuring increased integration of reported financial, social, governance and environmental information. EOH uses the concepts, guiding principles and content elements contained in the <IR> Framework as a platform for this integrated report.

* Copyright and trademarks are owned by the Institute of Directors South Africa NPC and all of its rights are reserved.

Materiality

EOH's integrated report focuses on information that is material to its business. Qualitative and quantitative materiality is considered in all instances and this is determined by the Executive Committee and applied across the Group. It provides a concise overview of EOH's performance, prospects and ability to provide sustainable value for all its stakeholders. The legitimate interests of all stakeholders have been taken into account and all material information has been included in this report.

Our approach to the six capitals

EOH considers the six capitals to be useful tools to evaluate the creation and transformation of value as the result of an organisation's activities. However, we also believe that it is responsible reporting practice to accurately reflect internal decision-making processes. EOH does not, as yet, use the six capitals for internal reporting on value creation, and their use in this report is therefore limited.

- For an overview of our impact in terms of financial capital, please see our CFO's report on page 35;
- For an overview of our impact in terms of relationship capital, please see our Stakeholder section on page 13;
- For an overview of our impact in terms of human capital, please see our diverse, talented and ethical workforce section on page 65; and
- Our impact in terms of intellectual capital is pervasive throughout our operational and other reviews. For a sense of our broader contribution to the Fourth Industrial Revolution (4IR) skills development, please see our building technology skills in communities section on page 72.

Due to the nature of our business, our impact in terms of manufactured capital is limited, and is primarily reflected in discussions around our relationships with OEMs and in terms of our remaining leases on physical property.

Assurance

A combined assurance model and forum were established to formalise and oversee combined assurance in the Group.

Board responsibility

The Board acknowledges overall responsibility and accountability for the integrity of this report. The executive management, assisted by a dedicated reporting team under the direction of the Chief Financial Officer, was responsible for the preparation and consolidation of this report. The Board believes that this report is a balanced and appropriate representation of the financial and operational performance of EOH and that this report has been prepared in accordance with the IIRC Integrated Reporting (<IR>) Framework. The Board approved this report on 26 October 2022.

Stephen van Coller
Group Chief Executive Officer

Megan Pydigadu
Group Chief Financial Officer

Andrew Mthembu
Chairman
26 October 2022

The Board of Directors of the Company ("the Board"), assisted by the Audit Committee, is responsible for ensuring the integrity of the integrated report. Accordingly, EOH applies a combined assurance model which incorporates and optimises all assurance services and functions to enable an effective control environment, to support the integrity of information used for internal decision-making by management, the governing body and its committees and also supports the integrity of the organisation's external reports.

The Group's financial, operating, compliance and risk management controls are assessed by the Group's internal audit ("GIA") function, which is overseen by the Audit Committee.

The audit opinion expressed by the external auditor is included as part of the consolidated annual financial statements.



Who we are

One of South Africa's **largest** technology service **providers**, covering the entire IT value chain – providing an unparalleled **value proposition** with extensive access to a range of OEM partners.

- 3 Unpacking EOH
- 6 Our business model
- 9 Our contribution to South Africa
- 10 Our investment case
- 12 Our executive leadership team
- 13 Our stakeholders
- 21 Our six sustainability themes

Unpacking EOH

Our group purpose

As rapidly changing technologies alter the course of humanity, our purpose defines us, evokes pride, integrity and innovation in everything we do, and guides us towards a sustainable and transformative future.

SOLVE
Courageously . Exponentially . Together



Our purpose is to SOLVE – for our people, our clients and our communities.

Our values





Unpacking EOH *continued*

EOH is one of the market leaders in the African IT sector, with a diverse service offering that is well positioned to meet the needs of our clients.



IT business focused on traditional and cutting-edge technology system integration with a range of solutions, products and services across the IT value chain.



A variety of businesses focused on intelligent infrastructure and people outsourcing solutions.



Diverse corporate client base



Public sector across all segments

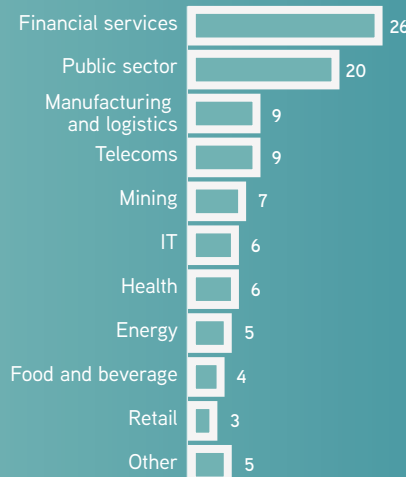
Premier partner to global technology providers



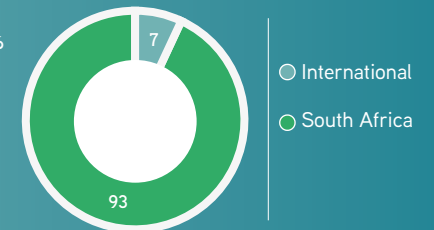
EOH fast facts 2022



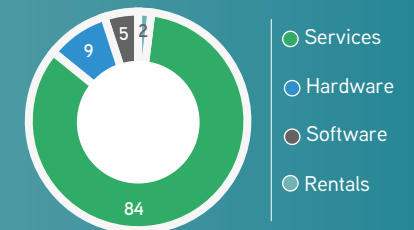
Total revenue exposure by industry (%)



Total revenue exposure by region (%)



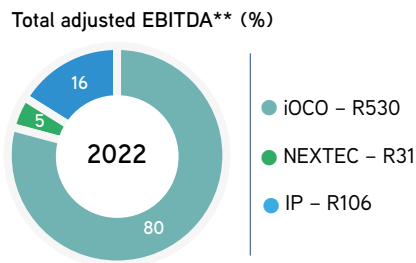
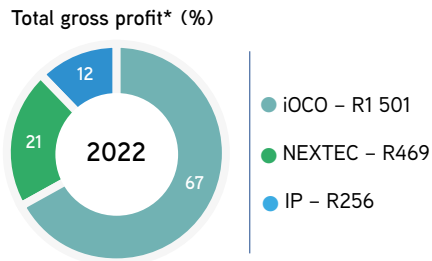
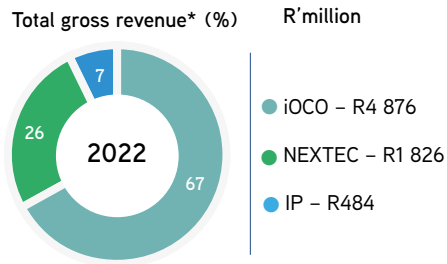
Total revenue exposure by type (%)





Unpacking EOH *continued*

2022 performance review



* Gross revenue, gross profit and adjusted EBITDA excludes the reconciliation which comprises elimination of intersegment transactions.

** Adjusted EBITDA is defined as profit/(loss) before depreciation, amortisation, share-based payment expense, gain/loss on disposal of subsidiaries and equity-accounted investments, impairments of non-financial assets, share of profit/loss of equity-accounted investments, remeasurement gain/losses on vendors for acquisition liability, interest income, interest expense and current and deferred tax.

Salient features for the year

- Generated a total operating profit of R282 million for FY2022 following a R147 million profit in FY2021
- An improvement of 18% to the previously reported total headline loss per share from 22 cents (restated) to 18 cents
- Significant improvement in gross profit and operating profit margins due to right-sizing and focus on quality of earnings
- Significantly reduced one-off costs with meaningful progress made in working through inherited legacy issues
- Net working capital stable at R218 million in spite of a tough economic environment
- Positive momentum in new deals in public and private sector post-remediation



Our business model

Our business is now leaner and more client-centric, with improved earnings, capital structure and cash generation. Our priority is now on enhancing our value proposition and growing our core business from a top-line and earnings perspective.

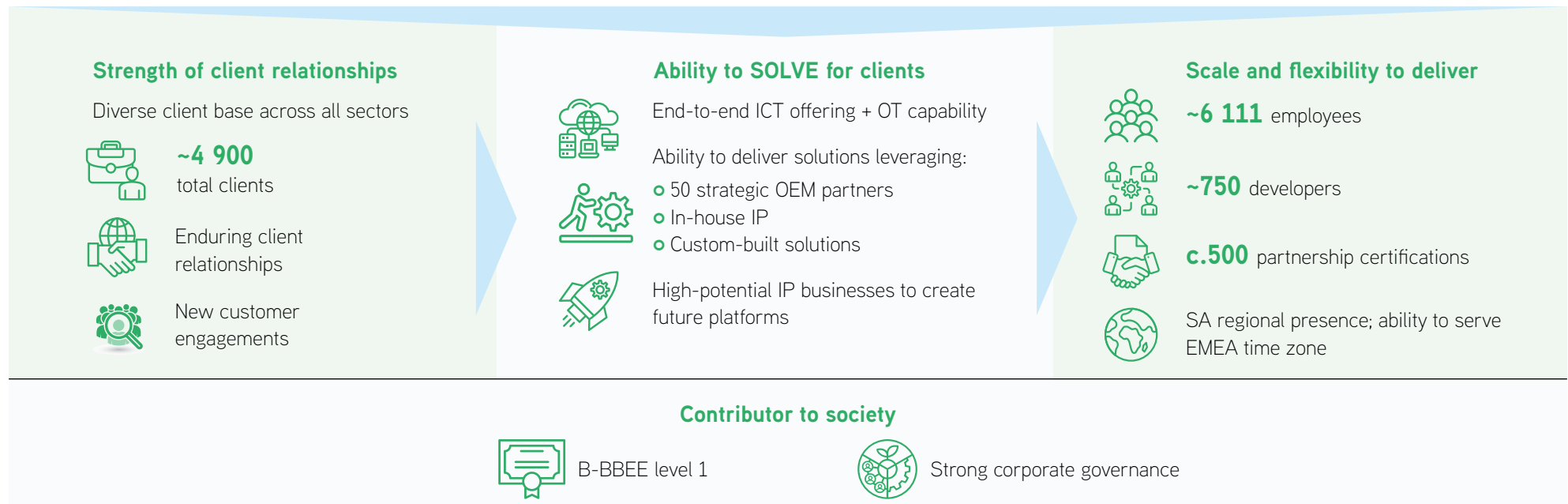
We are well positioned to take advantage of the exponential shifts in the world today, which creates an opportunity to be the most attractive digital-transformation enabler throughout Africa and beyond.

EOH operates in a highly competitive market and offers the following primary differentiating factors:

- A large and diverse client base, with well-established relationships and an excellent track record;
- Broad vendor strategic partnerships, including AVEVA, OpenText, AWS, Azure, CA, Citrix, Dell, F-Secure, Google Cloud, Microfocus, SAP, Oracle, Tagetik and Salesforce;
- Scale to deliver on large projects across diverse service lines;

- iOCO, the core growth driver of the Group, covers the entire value chain in the ICT sector and can offer clients dedicated solutions across advisory, technology, software development and managed services;
- The iOCO offering is complemented by NEXTEC, with its offering of people, talent, learning-and-development and intelligent-infrastructure solutions; and

- iOCO Platforms (also known as Rocketlab Ventures) comprises our early-stage IP companies with disruptive potential and value propositions, including core-banking, HR, business-process-digitisation and fraud-detection software.

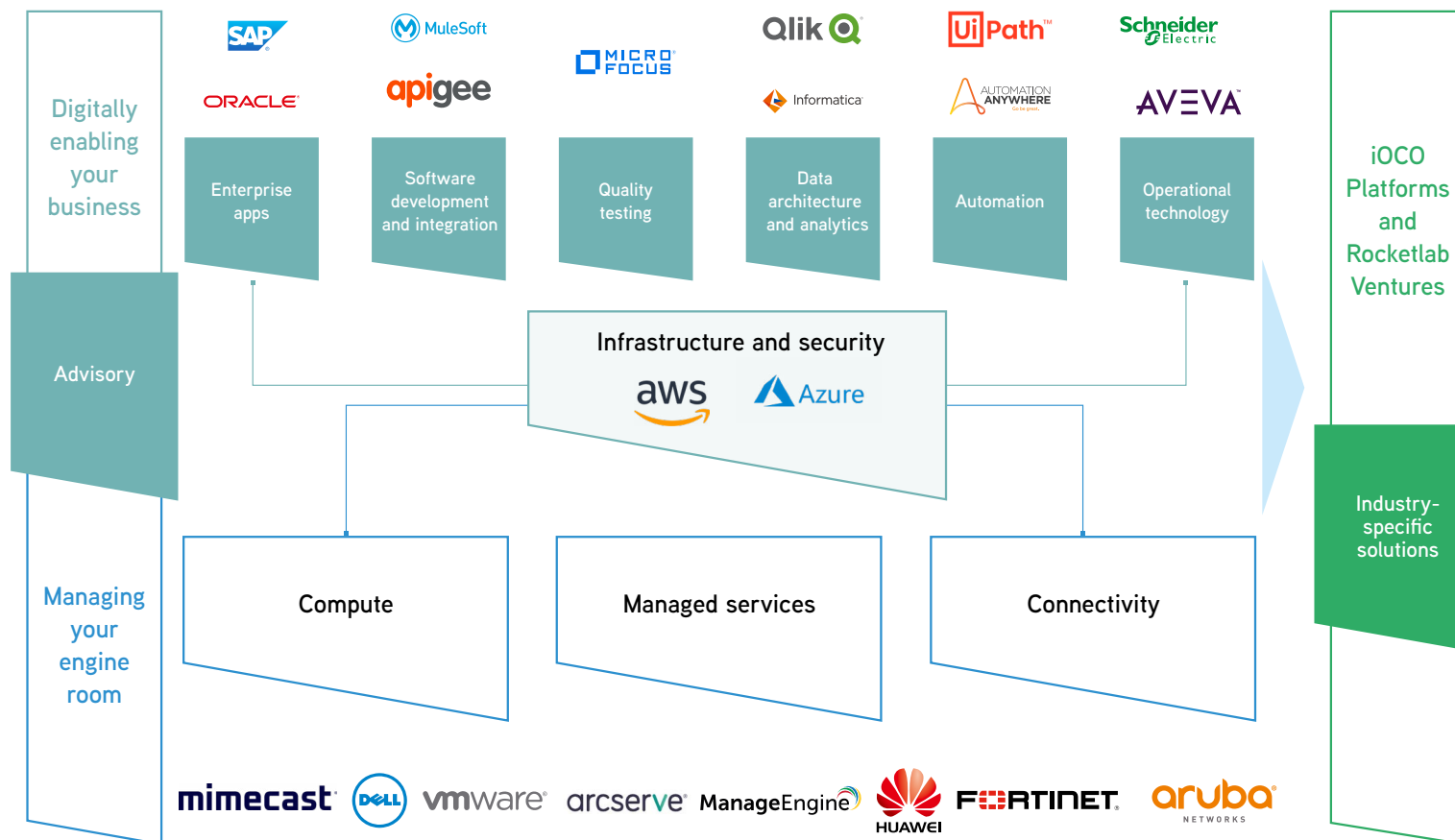




Our business model *continued*

EOH, one of Africa’s largest technology services providers, offers a wide range of solutions across the IT value chain and access to an extensive range of OEM partners. The Group is a market leader through its core IT businesses, which operate under the iOCO brand name. The business is systemic to both the public and private sector and is an integral technology partner for a number of South Africa’s leading JSE-listed, blue-chip companies, key metros and government departments. Its other business, NEXTEC, collaborates with world-leading technology providers to design, implement and manage intelligent infrastructure and people solutions that make a positive and lasting impact towards building smarter cities.

iOCO offers significant growth potential. Its core value proposition is driven by serving its existing diverse customer base by aligning with their respective digital transformation journeys. iOCO delivers value to clients with two core goals in mind – digital business enablement and optimising the IT engine room – with efficiency and operational excellence at the core. The value proposition is uniquely compelling given the original equipment manufacturer (“OEM”) partnership strategy, whereby EOH currently represents over 50 OEMs with up to 500 partnership certifications.



iOCO provides products and solutions across the ICT value chain
iOCO’s go-to-market strategy is tailored to specific client needs and driven by enhanced client analytics, sector-driven insights and strategic account management.

In addition, iOCO provides bundled offerings to mid-size corporates – effectively ‘a CIO in a box’ – which eliminates the complexity of running a company’s IT systems. A further avenue for growth lies within emerging technologies such as automation, AI and data science.

iOCO Platforms (Rocketlab Ventures)
iOCO Platforms (Rocketlab Ventures) comprise a number of diverse proprietary IP value propositions in a range of disciplines including core banking, HR, business process digitisation and fraud-detection software. In addition to scaling existing IP businesses and building high-growth-potential technology companies, Rocketlab Ventures will also have a product development arm utilising skills and expertise from the rest of the Group aimed at creating new IP.

“Rocketlab Ventures will allow us to develop our most exciting intellectual property.”

* Select OEM partners only.



Our business model *continued*

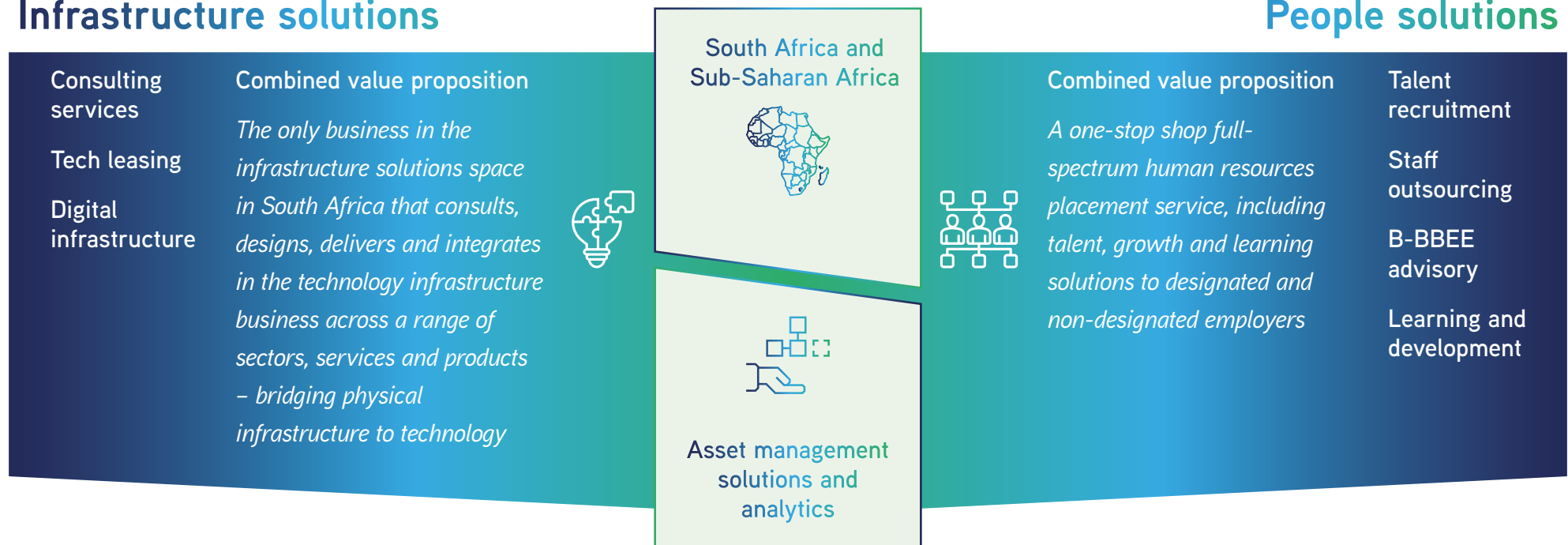
NEXTEC

NEXTEC comprises skilled, multi-disciplinary teams focusing on two key offerings – infrastructure solutions and people solutions. NEXTEC is a strategic partner for public and private entities engaged in large and complex infrastructure projects and collaborates with leading technology providers to design, implement and manage intelligent value-adding solutions.

NEXTEC provides digital infrastructure and people solutions

Infrastructure solutions

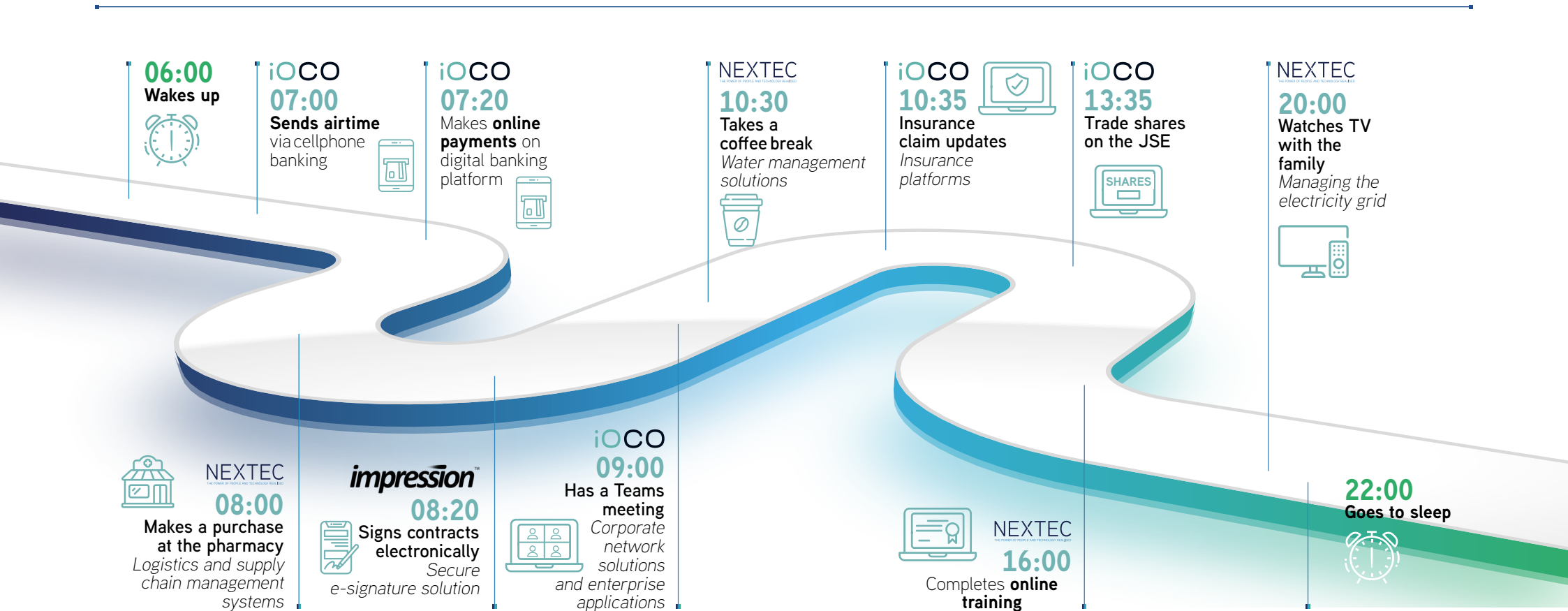
People solutions





Our contribution to South Africa

South African citizens' lives continue to be influenced and enhanced by EOH through its iOCO and NEXTEC solutions. We deliver services to major telcos, banks, and insurance companies, from various retail giants, logistics firms, mining conglomerates to another 1 000 major brands in South Africa and globally.





Our investment case

1



Diverse value proposition across the IT value chain, providing comprehensive end-to-end solutions to clients

Delivers solutions across a range of sectors and technology types in order for clients to achieve greater operational efficiency.

< EOH'S END-TO-END VALUE STACK >

- > Blue-chip software vendor resales and services
- > Connectivity solutions
- > IT infrastructure managed services
- > Cloud advisory and services
- > IT security
- > AppDev and testing
- > Data, AI, automation
- > Industrial tech and IoT
- > IT advisory
- > Innovation hub/incubation

2



Core annuity total revenue base built off services, entrenched with core blue-chip clients and unrivalled go-to-market strategy with more than 4 900¹ clients

In FY2022 services contributed 81% to total group revenue, underpinned by a large and diverse client base, with well-established relationships and track record.

Diverse corporate client base focused on 'sticky' service contracts



Core GTM strategy

- > Close collaboration between technical solutioning, product and service sales teams
- > Investment into EOH market and client insights and analytics
- > Commercialising IP to supercharge the scaling of existing and new IP platforms
- > Investing into EOH solutions capability
- > A coordinated and strategic approach to EOH OEM partnerships

¹ Includes NEXTEC.

3



Global technology partners, with strong long-standing relationships

Long-term relationships support a deeper level of engagement with partners which results in a process of continual improvement of products and services.

Premier partner to global technology providers





Our investment case *continued*

4



Thought leaders across multiple industries through bespoke consulting and technical solutioning capability

EOH sits at the heart of the 4IR with an ability to provide end-to-end solutions that are unequalled in its breadth in South Africa.



Centres of excellence across the Group



Services provided across all sectors



>500 estimated key partnerships

5



Scarce, highly valuable people skills that enable EOH to provide the highest-quality services across the Group

67% of staff have a higher-education qualification and a large proportion of staff have specialist IT certifications.



EOH has 500+ certifications by Microsoft



EOH has 70 certifications by AWS

- > Highly experienced and innovative new management team with a broad range of ICT expertise
 - > Highly skilled staff across the Group
 - > Focus on ensuring that the staff base is able to provide high-quality solutions to clients
 - > Focused on making key decisions to improve the Group
 - > Highly skilled workforce with specialist IT certifications
 - > Continually enhancing the skills of employees
- Despite significant volatility in the labour market, EOH has been able to attract experienced talent while retaining existing talent; and
 - A high-performing culture to support delivery of the business strategy in a sustainable and ethical manner

6



Exposed to a high-growth total addressable market (“TAM”) across all key verticals with the ability to increase market share significantly

A full repertoire of services delivered in a holistic fashion, with capabilities to expand into new markets while leveraging off the South African platforms.

International operations	TAM ¹	Clients	Staff
South Africa	c.R116bn	4 200	6 085
International (excl. UK)	c.R742bn	637	567
United Kingdom	c.R926bn	63	26
TOTAL	c.R1 784bn	4 900	6 111

Potential 14x additional TAM from markets outside of South Africa

¹ Assumes a USD/ZAR exchange rate of 16.1279 and GBP/ZAR of 21.5286 as at 30 November 2021. Estimate Middle East TAM of c.USD46bn and UK of c.GBP43bn. SSA TAM represents iOCO only.



Our executive leadership team

A highly experienced leadership team with diverse skills ranging from ICT skills, entrepreneurial experience and commercial strategy.



Stephen van Coller
Group Chief Executive Officer

Prior to joining the EOH Group, Stephen was with the MTN Group and served as Vice President: Digital Services, Data Analytics and Business Development. Stephen also has over 20 years' banking experience.



Megan Pydigadu
Group Chief Financial Officer

Previously served as Group CFO at MiX Telematics, where she was involved in the successful listing of MiX Telematics on the New York Stock Exchange, including a US\$100 million capital raise.



Fatima Newman
Group Chief Risk Officer

Vast experience as a strategic leader of risk, compliance, regulatory and governance oversight in banking and financial services, stockbroking, asset management and corporate finance.



Natasha Andrykowsky
Group Executive: Strategy and Change

A seasoned business strategist and strategy execution professional. Natasha's most recent role prior to joining EOH was heading up International Banking in South Africa for the Absa Group, after running Strategy for Corporate and Investment Banking for seven years.



Sean Bennett*
Group Executive: NEXTEC

In 2015, Sean was appointed as CEO of Kore Potash, an Australian-listed potash mining company, which he restructured, redomiciled, refinanced and relisted in the UK and South Africa. He also has extensive banking experience.



Marius de la Rey
Group Executive: iOCO Services

Prior to joining EOH, Marius worked for the Absa Group, where he served as Chief Executive: Customer channels, distribution and coverage. In addition, he previously held various senior roles in Standard Bank before running the bank's Global Real Estate business.



Brian Harding
Group Executive: iOCO Digital

Extensive experience in the ICT industry spanning over 25 years and co-founder and owner of Airborne Consulting, a software development company, which was acquired by EOH in 2011.



Tsepa Ramoriting*
Group Executive: Enterprise Applications and Software Reseller

An ICT professional with over 25 years of experience. He previously ran his own business providing Oracle applications management and implementation services to private and public sector clients.



Ziaad Suleman
Group Chief Commercial Officer

Ziaad spent 13 years at IBM, initially as the Head of Legal then Chief Operations Officer across southern Africa. He serves as the SA Chair of 4IR on BRICS and is the Chair of the ICT 4IR Public Private Growth Initiative ("PPGI") Business Advisory Group to the President.

* Tsepa Ramoriting and Sean Bennett resigned from their positions shortly after the end of the period under review.



Our stakeholders

EOH is an organisation with a complex value chain and the impact of our operations, products and services extends beyond our employees and customers.

Stakeholder engagement

Business partners, suppliers, community interest groups, the media and other stakeholder groups have different stakes and expectations related to our business. Improving our understanding of our stakeholders' legitimate needs, interests and expectations provides input into how we approach our business activities, identify risks and opportunities and help adapt to social, technological and regulatory changes.

We recognise the importance of proactive engagement with our key stakeholders and are committed to robust, consistent and transparent engagement. We define our stakeholders as those groups and individuals that are affected by our actions, whether directly or indirectly, and who affect the activities of the Group.

Stakeholder engagement is one of our five governance objectives, which stem from the Board Charter and Board committee terms of reference and align with the EOH purpose, philosophies and values.

Responsibility for stakeholder engagement

Stakeholder engagement in the Group is overseen by the Social and Ethics Committee and material engagements are reported to the Board at each meeting. Interactions with stakeholders take place on both a formal and informal basis, are ongoing and conducted by the functions directly aligned with the stakeholder group. For example, employee engagements are mainly coordinated by the Human Resources Department; the Investor Relations Department oversees engagements with the investment community and engagements with clients include technical and operational staff.

EOH's approach to stakeholder engagement

In the context of sustained value creation for all its stakeholders, EOH's engagement with its stakeholders includes:



Through ongoing and appropriate stakeholder engagements, EOH strives to inform stakeholders, in an appropriate and timely manner of the implications and impacts of its activities in a fair and transparent way. Also, to ensure that any disputes are resolved as effectively, efficiently and as expeditiously as possible.

Stakeholder identification

EOH has aligned to the AA1000 Standard, which defines key stakeholders as 'individuals, groups of individuals or organisations that affect and/or could be affected by an organisation's activities, products or services and associated performance, with regard to the issues to be addressed by the engagement'.

EOH identifies its key stakeholders, as well as their interests, level of expertise and degree of influence, as this is crucial to successful stakeholder engagement. Identification of EOH's key stakeholders is also important for the efficient allocation of Company resources. The following criteria is used to assess and prioritise stakeholders ("Stakeholder Mapping"):

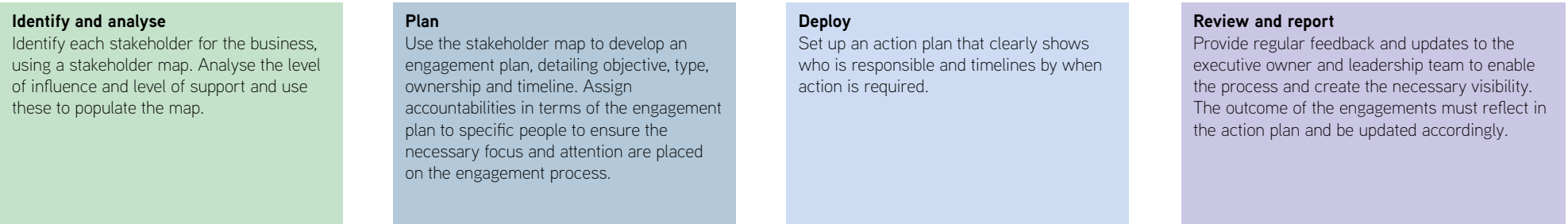
- Stakeholders' interests;
- Stakeholders' expertise on material issues;
- The level of influence of a particular stakeholder;
- A stakeholder's willingness to engage with the Group;
- Expectations when engaging with the Group;
- Stakeholders' dependence on the Group; and
- Value for the Group when engaging with respective stakeholders.

Due to new technologies, regulations and different macro-economic factors, EOH's stakeholders may change from time to time. Stakeholder mapping is therefore conducted on a regular basis or as and when necessary.



Our stakeholders *continued*

Stakeholder engagement process



Our focus for the year ahead includes ongoing transparent communication and engagement with all stakeholders:





Our stakeholders *continued*

Our internal assessment of the quality of our relationships

The section that follows shows EOH's key stakeholder groups, how we engage with them, their primary concerns during the period and how we address those concerns.

Poor	Fair	Strong
Existing relationship, however, more engagement required to improve quality	Positive relationship with room for improvement	Strong, mutually beneficial relationship

EMPLOYEES

Our employees are critical stakeholders that support the Group's ability to create value by developing and delivering our products and services to our customers.

Quality of relationship:

Accountable for relationship: (People and culture)



Poor	Fair	Strong
------	------	--------

Engagement channels:

- Monthly employee engagements led by the CEO;
- Regular people and culture email communications;
- Surveys, polls, consultations;
- Employment equity forums;
- Intranet; and
- Diversity and inclusion roundtables.

Key focus areas:

- Fair remuneration;
- Concern about reputational damage;
- Professional and personal development;
- Career growth; and
- Diversity and inclusion.

We address these concerns through:

- Enhanced Employee Value Proposition ("EVP") including frameworks and strategies, in line with best practice;
- Greater transparency on people-related matters;
- Ongoing assessment of remuneration practices; and
- Proactive career and performance management.

HOW WE DEFINE SUCCESS:

An inclusive culture with an engaged workforce that is proud to be working at EOH and aligned to the Company's values and purpose.



Our stakeholders *continued*

CUSTOMERS

We sell our technology solutions to customers in a range of industries in the private and public sectors. Strong relationships with customers ensures the profitability and sustainability of our business.

Quality of relationship:

Accountable for relationship: (CGTM)



Engagement channels:

- Personal communication from leadership;
- Strategic and key account executives;
- Customer engagement forums and events; and
- Customer service desks and support solutions.

Key focus areas:

- Continuity of service delivery;
- Ongoing demand for ICT innovation;
- Assurance of ethical service and operations; and
- Support to work remotely.

We address these concerns through:

- Engagement plans to ensure transparent and consistent communications;
- Quality assurance and certification programme;
- Sales teams maintained client delivery in the new hybrid work delivery context;
- Articulation of industry-specific solutions;
- Implemented a range of innovation initiatives including Solvathons, IP development processes and a digital API marketplace in order to bring ICT innovation to our clients;
- Engaging customers on the transition to remote services and other digital solutions during COVID-19;
- Extensive marketing, digital marketing and brand awareness activities;
- Creating awareness of our contribution to society, including our pandemic, ReliefSA and Solidarity Fund support; and
- Established a remediation helpdesk – duediligence@eoh.co.za – that supports our frontline on individual client requests for information and clarity on governance remediation.

HOW WE DEFINE SUCCESS:

Our client franchise success is determined by growth in new clients, growth in penetration of offerings in accounts, the retention of clients and customer satisfaction measurements, which all contribute to total revenue growth. At EOH, with the context of our broad array of technology offerings, this is achieved through effective client engagement and coverage of accounts and segments.



Our stakeholders *continued*

DEBT FUNDERS

Debt funders provide financial capital to fund the Group's activities. Given the high levels of leverage in the Group, the deleveraging strategy has been a key focus area as the Group seeks to reduce debt funding to acceptable parameters.

Quality of relationship:

Accountable for relationship: (Treasury)



Engagement channels:

- All public sources of communication (SENS, website, client and staff communications);
- Monthly reporting forums;
- Regular lender meetings;
- Facility agent;
- Legal counsel engagements; and
- Bilateral discussions.

Key focus areas:

- Ability to deliver on strategy;
- Group financial position and performance;
- Compliance with commitments under loan agreements; and
- Complexity and volume of legal requirements.

We address these concerns through:

- Ongoing restructuring to leverage value;
- Delivery on deleveraging strategy;
- Transparent financial status reporting;
- Independent assurance of future proofing; and
- Communication of capability building status.

HOW WE DEFINE SUCCESS:

Establishing an optimal capital structure resulting in materially lower and more manageable financing costs and improved cash flow generation.

SUPPLIERS, ENTERPRISE DEVELOPMENT AND TECHNOLOGY PARTNERS

Suppliers, enterprise development and technology partners support the services and products we supply to our customers, and ensuring good relationships with these stakeholders secures our ability to create value.

Quality of relationship:

Accountable for relationship: (Procurement)



Engagement channels:

- Via group and business procurement functions;
- Direct interaction with senior executives;
- Virtual technology roadshows and conferences;
- Intensive ESD engagements; and
- Public and private sector tenders.

Key focus areas:

- Potential reputational impact from partnering with SMME partners for large multi-year contracts where partners are unable to meet deliverables;
- EOH assuming contractual risk and liability, as primary contractor, for deliverables of SMME partners;
- Achievement of transformation goals under the new ICT sector code;
- Disparate implementation of the principles of the procurement policy across businesses; and
- Cost of procurement transactions and limited supply chain transparency.

We address these concerns through:

- Supplier vetting and onboarding to assess reputational risks and delivery capabilities;
- Contractual frameworks to manage risks on a back-to-back basis;
- Continuous market updates on progress with legacy contracts;
- Evidence provided at the Zondo Commission by CEO and ENSafrica;
- Creation of ring-fenced black-owned SMME procurement opportunities;
- Creating a pool of suitably qualified black-owned SMME partners through ESD initiatives; and
- Continuous challenge and improvement of procurement processes with a focus on digitisation.

HOW WE DEFINE SUCCESS:

Sustainable and strategic partnerships as we establish EOH as a partner of choice and a key technology partner, managed through approved frameworks.



Our stakeholders *continued*

INVESTORS, ANALYSTS AND SHAREHOLDERS

Investors and shareholders provide financial capital in the form of equity to fund the Group's activities and in return they expect a return on their investment. Analysts provide an opinion on the Group's prospects and can influence the attitudes of investors and shareholders towards the Group.

Quality of relationship:

Accountable for relationship: (Investor Relations)



Engagement channels:

- SENS announcements;
- Email queries;
- Investor roadshows and one-on-one meetings;
- Investor conferences;
- Annual general meeting interactions;
- Public relations media communications;
- Annual integrated report; and
- Corporate website.

Key focus areas:

- Group debt;
- Capital restructure;
- Completion of turnaround to pursue growth;
- Ability to navigate challenging global and local economies;
- Legacy issues; and
- Remuneration policy.

We address these concerns through:

- The Group has successfully completed the first phase of the deleveraging strategy which focused on disposal of non-core businesses to reduce legacy debt. The Group's debt is now R1.33 billion, comprising a R500 million bullet payment facility maturing in April 2025 and the remaining R832 million bridge facility as at 31 July is due by 31 December 2023. The bridge facility was further reduced to R728 million in September 2022;
- The Group returned to profitability in the first half of the year signalling the completion of the turnaround. This performance was maintained during the second half with the Group delivering further improvements in total gross profit and total operating profit for the full year, despite the challenging operating environment;
- The management team continues to monitor the Russia-Ukraine conflict, China's stringent lockdown as well as South Africa's tough economic outlook and proactively manages the Group's business against these respective macro-economic challenges;
- The Group continues to focus on closing the last two remaining legacy issues, namely the Department of Water and Sanitation investigation and the PAYE tax dispute relating to 2012 in one of the staff outsourcing businesses; and
- The Group has updated and revised its remuneration policy following shareholder engagement post the 2021 AGM.

HOW WE DEFINE SUCCESS:

It is important for the investment community to understand the EOH business model and growth strategy, which will lead to the market attributing a fair value to the EOH share price.



Our stakeholders *continued*

SOCIETY AND COMMUNITIES

EOH's investments in socio-economic development projects promotes development in communities and society and is a fundamental component of our sustainable business strategy. It guides the Group in fostering and maintaining a true transformative culture with respect to B-BBEE, transformation and corporate governance.

Quality of relationship:

Accountable for relationship: (People and culture)



Engagement channels:

- Media releases;
- Ongoing engagements with project coordinators; and
- Partnerships with key organisations.

Key focus areas:

- Responsible corporate citizenship;
- Commitment to ethical business;
- Leadership of digital innovation; and
- Demand for job opportunities and growth.

We address these concerns through:

- EOH sustainability strategy plan;
- Internships;
- Volunteerism;
- Action to develop technology skills in disadvantaged communities;
- Contribution to community projects; and
- Enterprise development programmes.

HOW WE DEFINE SUCCESS:

Playing a meaningful role in providing access to the economy, delivering improvement to people's lifestyles through improved education, income, skills development and employment that translate into economic participation.

REGULATORY BODIES AND PROFESSIONAL ASSOCIATIONS

Government regulates business and a poor relationship with regulators can lead to the loss of our licence to operate. Industry bodies such as Business Unity South Africa ("BUSA"), Business Leadership South Africa ("BLSA") and The South African Institute of Chartered Accountants ("SAICA") provide opportunities for the sharing of good practice and provide a unified channel for communicating business's requirements to government.

Quality of relationship:

Accountable for relationship: (GRC)



Engagement channels:

- Direct engagements with regulators in accordance with their requirements; and
- Professional engagements include meetings such as task teams, workshops, industry-specific forums, surveys and written feedback on proposals and draft legislation.

Key focus areas:

- The enforcement of the Protection of Personal Information Act ("POPIA") requirements that came into effect from July 2021;
- Public Procurement Bill/Public Financial Management Amendment Bill;
- B-BBEE legislation;
- The Companies Amendment Bill;
- Occupational Health and Safety Directive; and
- Draft Preferential Procurement Regulations.

We address these concerns through:

- Organisation-wide POPIA impact assessments to determine compliance with the Act. Appointment of Group Information Officer as well as business-specific information officers. Worker representation on Company Boards. Commentary has been provided on the proposed amendments to BUSA;
- Ongoing engagement with lawmakers via professional associations regarding the drafting of new legislation to improve governance and prevent fraud and corruption in the country. We also contributed to the research conducted on the impact of the current B-BBEE legislation;
- Statutory and regulatory compliance; and
- Collaboration with professional associations.

HOW WE DEFINE SUCCESS:

Ongoing dialogue with regulatory bodies, closing out historic matters of concern, as well as building towards the future. Further collaboration via our memberships with BUSA and BLSA to develop and shape both regulatory and economic policy.



Our stakeholders *continued*

MEDIA

Media coverage of the Group can have a material impact on our reputation and also represents an important information channel for our broader stakeholder base.

Quality of relationship:

Accountable for relationship: (Investor relations and communications)



Engagement channels:

- SENS announcements;
- Interviews and media house engagements;
- Holding statements;
- Media releases;
- Editorials;
- Corporate website;
- Social media;
- Opinion pieces; and
- Blog posts and articles.

Key focus areas:

- EOH leadership commentary requests;
- Commentary on legacy corruption queries and articles;
- Zondo Commission;
- EOH growth strategy;
- New appointments;
- Industry conversations where media forms part of the discussion panel;
- Thought leadership;
- EOH views on macro-economic issues;
- Anti-corruption topics;
- Social cohesion; and
- Diversity, equity and inclusion.

We address these concerns through:

- Media engagements supported with messaging on EOH social media platforms;
- Ongoing tracking of media, social commentary, and market sentiment in order to track conversations and themes in the market;
- Engagement with media on social media platforms, where necessary;
- Ensuring we develop proactive and reactive statements for media responses;
- Ensuring that EOH leadership or business specialists are available to engage media on key issues, when required;
- Regular engagement with journalists by senior executives across EOH, NEXTEC and iOCO to build an understanding of the business and its offerings;
- Journalists are updated on strategy and performance through interviews, especially during results and non-closed periods, SENS announcements and press releases. All presentations are loaded on EOH websites to ensure access to relevant information to all stakeholders; and
- Shaping public discourse with op-eds and through leadership articles by executives.

HOW WE DEFINE SUCCESS:

Ongoing healthy and transparent engagements with key business and tier one business and trade media platforms, as well as with the related journalists who cover the EOH stories. Ensuring that we continue to provide open engagement with the broader media in terms of responsive and timeous response to media queries and issues as well as providing access to the media for EOH commentary and engagements with EOH leadership and spokespeople around media and business-related issues.



Our six sustainability themes

As one of South Africa’s leading technology players it is essential that EOH plays its role in ensuring that ethical, values-based and sustainable practices are entrenched in our industry and society. We are committed to delivering against the 2030 Agenda of the UN SDGs and operating in a principles-based way to create sustainable value for all our stakeholders.



1 Solutions that create value for our customers

To lead and grow innovative and sustainable technology solutions

We have developed and implemented solutions that have transformed the experiences of our clients and their customers:

- Provided Application Development Services;
- Assisted a leading South African financial institution to implement a system of air quality monitoring throughout their various buildings and branches; and
- Provide environmental and social compliance audits and due-diligence assessments.



› For more information see page 61



2 A diverse, ethical, and talented workforce

To be a responsible employer, nurturing talent and the best people

We focused efforts on wellness initiatives, diversity and inclusion, as well as upskilling and reskilling our people:

- Introduced our New Way of Work (“NWOW”) to build and maintain a new way of work that is attractive to people at EOH and prospective talent; and
- Launched the EOH RiseUp Academy, UNGC Academy and the UNCGG Accelerator programmes, which allows our people access to online courses for continuous development, peer-to-peer learning and growth opportunities.



› For more information see page 65



3 A vibrant and innovative digital ecosystem

To nurture innovation, partnerships and growth in the digital sector

EOH plays a vital role in driving a growing digital sector through collaborative partnerships and stimulating innovation:

- Implemented business intelligence services;
- Provided integrated ICT Infrastructure Services;
- Provided specialist services to provincial government;
- Provided pro bono school IT support; and
- Leveraged technology to make customer services more accessible with almost immediate resolution.



› For more information see page 70



Our six sustainability themes *continued*



4 Building technology skills in communities

To invest in the digital and maths skills needed by future generations

We are committed to investing in initiatives that improve youth employability through digital skills training:

- Uplifting young people with ICT skills through EOH's support of the Belgium Campus;
- Strategically partnering with the Maths Centre to enable delivery of mathematics, physical science and technology to socio-economically deficient schools; and
- In FY2022, 53% of cohort learners obtained 50% and above in Physical Science, with 12 distinctions, while 60% obtained 50% and above in Mathematics, with 11 distinctions.



> For more information see page 72



5 A commitment to ethical business

Share the lessons we have learnt and enable high-integrity business

Through our proactive remediation of the inherited legacy issues, we have built an organisation with a deeply rooted ethical culture:

- Robust anti-corruption processes and procedures;
- Employee performance management aligned with EOH values;
- Enhanced the EOH regulatory landscape with technology solution; and
- Enhanced the EOH regulatory landscape with our own technology solution developed called iBOT and Cerebro.



> For more information see page 78



6 Taking action on climate change

Protecting our planet through enabling technologies

Effective environmental stewardship is an important aspect of an organisation's licence to operate and we are committed to playing our role:

- Developed a world-class digital signatures platform that can result in significant savings in paper usage;
- Provided environmental and social compliance audits and due-diligence assessments; and
- Reduced our carbon footprint by 20% in FY2022.



> For more information see page 80

... ensuring that ethical, values-based and sustainable practices are entrenched in our industry and society





Strategic overview

Having successfully **delivered** on the **turnaround strategy**, the Group is now clearly focused on **growth**.

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- 32 Chief Executive Officer's Report



Our strategic journey

Legend

Credibility

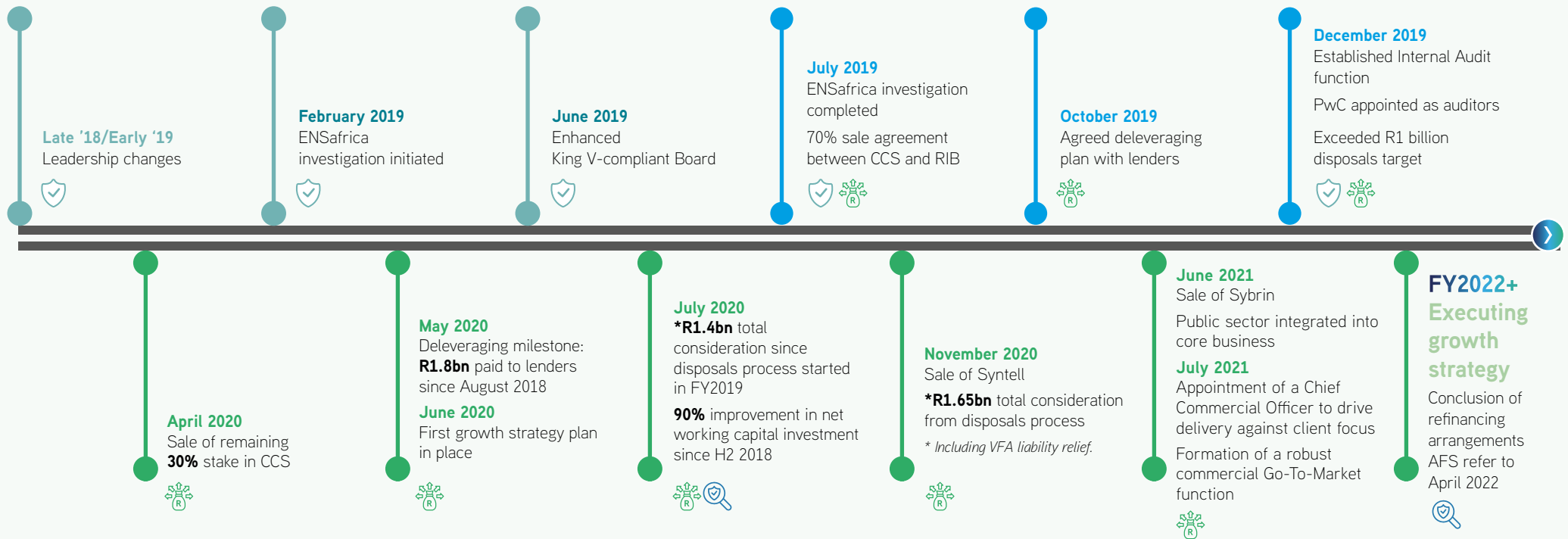
Enhanced governance, risk and compliance procedures and policies
 Leadership and executive management team **changes** during 2018 and 2019
Comprehensive ENSafrica forensic investigation completed
King IV-compliant Board of Directors
 Significant investment in **remediation processes** to assure all stakeholders

Liquidity

Initial **deleveraging plan** agreed with funders in 2019 – since revised
 Deleveraging plan remains centred on **disposal** of remaining IP assets and **cost-saving** initiatives
Improved financial systems and enhanced financial discipline and controls implemented

Transparency

Position EOH for **future growth** through a clear business model and route-to-market strategy
 Emphasis on **rationalising** the Group's legal entities with a reduction of 99 from 272





Our strategic journey *continued*

EOH is now a well-balanced and sustainable business with a solid foundation to drive future growth.

With our turnaround now complete we are transitioning to the Go-GET era. This new strategy focuses on Growth, Efficiency and Talent.

Turnaround complete



Transparency

- ✓ Demystify business model
- ✓ Unpack revenue drivers
- ✓ Build growth plan



Liquidity

- ✓ Cost containment
- ✓ Deleverage



Credibility

- ✓ Investigation
- ✓ Prosecution
- ✓ Reputation rebuild



Growth



Efficiency



Talent

Transitioning to the Go-GET era

"2023 is the year for investing in our business and really pushing the growth envelope. Free to direct all our energies on clients and solving their challenges – this will be what propels the group performance. The Group's businesses are at various stages of maturity which gives roundness and balance to the Group going forward."

Stephen van Coller, CEO



Chairman's Report

In the year under review, we achieved important milestones in a tough environment.

The operating environment in South Africa remained challenging. The floods in KwaZulu-Natal and an increase in loadshedding have added pressure to an already fragile economy. Public-sector work is a core component of our business. Depressed growth, as well as political preparation for the 2024 elections, has meant that government expenditure has decreased or been put on hold.

The Ukraine conflict, stringent economic lockdowns in China, ongoing supply chain disruptions and the sharp rise in energy prices have pushed inflation higher. This has resulted in an aggressive tightening of monetary policy worldwide, placing the consumer and many corporates under pressure, and a muted global economic performance, with the threat of recession looming in several countries.

This dampened the COVID-19 digital dividend somewhat, although many businesses continue to see digitisation as the most effective means of lowering costs and increasing efficiencies and competitiveness.

Disruptions in supply chains have caused delays in our ability to access products from OEMs and those reliant on microchips. Ukraine produces 50% of the world's neon, which is required for microchips, and it is anticipated that this will contribute to continued severe constraints on the availability of hardware.

We unfortunately also saw civil unrest affecting parts of KwaZulu-Natal and Gauteng erupt this year. We were able to adapt our COVID-19 communication platforms to coordinate operations to ensure continuity of workflow with no interruptions, organise 10 000 meals for those in need, and address medical and wellness requirements among affected staff, all within a 24-hour response time.

We remain committed to South Africa, its people and continue to see opportunity in helping the country address challenges and support the business community as technology is a key enabler for national progress. The EOH Board and management team continue to monitor these developments and proactively manage their effects on the Group's business.

Strategy and strategic direction

Despite the economic backdrop it was gratifying to see the resilience of the Group and watch the discipline built through the last three years bear fruit. This enabled the Group to deliver on its turnaround strategy and produce a profit at half year, six months ahead of the anticipated plan.

iOCO, our flagship core business, managed to double its adjusted EBITDA from half year. We posted a strong total operating profit of R282 million for the year as a revitalised entity. We signed agreements with lenders to improve our debt structure and we were singled out by Chief Justice Raymond Zondo for commendation for our support of the State Capture Commission and for fighting corruption in South Africa. Finally, our people strategy has been key in our efforts to consolidate 272 businesses into a coordinated, mutually supportive team.

Now that we have successfully delivered on our turnaround strategy, adopting a new strategy for growth is key. The Board has examined and supports EOH's new GET strategy, focusing on the three pillars of Growth, Efficiency and Talent, as key to delivering on the considerable promise we see in the organisation. I am therefore pleased to report that for the first time in five years we have approved an investment into organic growth in the business of R88 million.

Key areas of Board oversight

The key areas of Board oversight established in FY2021 remained largely applicable in FY2022. The management of risk is key to navigating a harsh external environment and we have been able to do so in a considered and robust fashion.

- Considering and approving the Group's strategy and strategic direction for FY2022;
- Improving profitability and reducing debt;
- Simplifying the Group's legal structure;
- Ensuring the Group's liquidity remained strong, with a strong emphasis on cost-saving measures;
- Ensuring that the Group met its deleveraging targets, particularly through the sale of businesses;



Andrew Mthembu Chairman



Chairman's Report *continued*

- Ensuring business continuity;
- Transparently addressing legacy issues and engaging with government in this regard;
- Increased attention on risk management and mitigation;
- Focusing on employee engagement, retention, attraction, development and remuneration;
- Finalising the investigations, criminal and civil prosecutions of historic fraud and corruption of former employees, as well as pursuing the recovery of money lost by EOH as a result of wrongdoing; and
- Approving a governance framework and governance policies and monitoring the governance programmes which ensure that historic practices are not repeated or retained within the organisation's culture.

Zondo Commission

In the final report released by the Zondo Commission on its Inquiry into State Capture, Chief Justice Raymond Zondo praised EOH for the company's assistance during the inquiry. The report states: *"There is no other company that has been of greater assistance to the Commission in relation to the investigation of historical wrongdoing within its ranks."*

The Commission further mentions the contracts between EOH and the City of Johannesburg, whereby EOH is referenced by the Commission as a "unique case": ours was the only Company mentioned in the proceedings to proactively approach the State Capture Commission to publicly disclose legacy wrongdoing. Judge Zondo also specifically acknowledges our CEO Stephen van Coller's notable assistance during the inquiry.

It was a proud moment for all of us at EOH to receive this accolade from the Chief Justice. His praise is a welcome acknowledgement and substantiation of our years of hard work to make reparation for the legacy wrongdoing that was uncovered, as well as to prevent any future wrongdoing.

EOH remains firmly committed to transparency, underpinned by ethical corporate citizenship. We believe the legacy issues are firmly behind us, a view that is shared by our customers.

As signatories of the United Nations Global Compact, the EOH leadership team is proud to uphold the principles in the charter, and we remain committed to the efforts to remove the scourge of corruption.

We will continue to strongly advocate the critical importance of standing up for what is right to support the efforts to rid our country from a legacy of state capture and corruption and to create a positive future for all South Africans.

I would like to thank, in particular, those people at every level of the organisation who exemplified an ethos of courageous leadership and who made bold choices with compassion and bravery. I would also like to thank, once again, those courageous whistleblowers, without whom the process of uncovering these legacy issues would have been significantly more difficult.

EOH's turnaround, corporate restructuring and commitment to governance became the subject of a Harvard Business School case study prepared by the Ivey Business School Foundation and The Gordon Institute of Business Science.

Board effectiveness

No changes have been made to the composition of our Board in the period under review. I feel blessed as Chairman that the work we have put in to assemble a group of talented, experienced and bold directors has borne fruit. Today we have an active, interrogative, searching Board that effectively supports and guides the Company.

In FY2022 we engaged an independent party to conduct a robust and comprehensive Board-effectiveness review process, which will be repeated in two years.

Changes to the executive

The arrival of Ziaad Suleman after 13 years in senior positions at IBM as the Chief Commercial Officer to run our Go-To-Market team has made a significant impact on our client centricity and our growth potential both with our customers and our key OEM partners.

This appointment has also contributed to the Group's ability to articulate a consolidated vision. In line with our GET strategy we will continue to focus on this consolidation.

Developing skills within the business

In this fast-moving world we all need to continually upskill. Our focus on MyNextMove and the Rise Up Academy supports this ethos of continuous development to maintain a broad pool of skilled, well-trained people who are ready to deliver for our customers.

Driving transformation

This remains a top-of-mind focus for the Board. The Board itself now shows a good balance in terms of race and gender and we have clear objectives in this regard for the rest of the organisation.

EOH's positive impact

Greater mathematics and science skills are key to helping unlock South Africa's human and economic potential, and we believe our work with Prime Stars and Afrika Tikkun is making a significant impact on focusing minds on maths and science as studies of the future.

We also continue to focus on job creation through the YES initiative, gender equality with Boston Campus, as well as support for unrest and flood victims in KwaZulu-Natal.

I have been impressed, time and again, by the speed and wholehearted commitment I have seen across the Group when crisis strikes. From the voluntary pay cuts taken by many of our people during COVID-19, to the support extended to South Africans and to civil society during the floods and unrest, there is a willingness to step up without hesitation and leverage our technologies to support our ideals and the greater good. This is clearly core to our culture and is a gratifying characteristic of today's EOH.

FY2023 focus

Our work to revitalise the organisation has attracted welcome attention, and we anticipate approaches from those who would like to work with us further, but our growth goals remain organic and not acquisitive at this stage.

The Board's key focus over the next several years will be to monitor the implementation of our GET strategy to ensure we continue to move forward and deliver on our considerable promise.

Andrew Mthembu
Chairman



Our commitment to value creation

Over the past three years, EOH has spent a significant amount of time on its turnaround strategy. The turnaround plan was focused on dealing with the legacy issues inherited by the current executive management team and refining and revising the capital and corporate structure to stabilise the business (with an emphasis on quality earnings, cost reduction and solving the substantial legacy debt and inefficient capital structure), and positioning EOH for future growth. The growth stage was kicked off in 2022 as the sound progress in bedding down the business structure, debt relief and generating profits became evident.

Our inputs

Our purpose

Our outputs

Human capital

Our exceptionally talented people drive the creation, innovation and delivery of our solutions and services.

- ~6 111 employees
- Strong executive team and Board
- Superior market expertise and sales capability
- Level 1 B-BBEE

Intellectual capital

Our ability to solve complex problems using ingenuity, a vast array of partners and software to deliver cutting-edge solutions.

- Own IP platforms
- c.500 partnership certifications
- Specialised and bespoke solutions
- Technological expertise

Social and relationship capital

Our clients and stakeholders shape what we do and how we achieve our goals. We are systemic to South Africa and a critically strategic contributor to its development.

- Enduring client relationships across private and public sector
- Strategic relationship with key tech partners
- Constructive engagement with public sector
- Preferential procurement
- Long-term socio-economic development ("SED") partnerships
- Strong governance culture

Financial capital

We have built incredibly strong financial discipline, right-sizing our capital structure, returning to profitability and charting a strategic course for further growth.

- Leverage
- Working capital management
- Adjusted EBITDA

Natural capital

We minimise our use of natural resources through technology and processes aligned to a commitment to environmental stewardship.

- Energy and water used
- Reduced property footprint
- Implementation of New Way of Work ("NWOW")

Our business activities

iOCO

NEXTEC

› **Building capabilities for your digital transformation**
Transformative digital solutions that solve any business challenge

› **Managing your industrial and operational technologies**
Integrating physical systems with digital technology for intelligent, resilient and robust ecosystems

› **Providing access to and implementation of leading OEM software**
We bring the breadth of our experience, OEM partners and certifications to your business

› **Building scalable IT platforms**
Solving your business challenge through the power of our IP platforms

› **Managing your industrial and operational technologies**
We provide an optimised and automated IT ecosystem that delivers Anything-Infrastructure-as-a-Service ("Infra.XaaS") to your business

› **Providing skills and people solutions**
Equipping people and companies with the skills to turn technology and disruption into opportunity

Human capital

- An enhanced employee value proposition ("EVP")
- Continued focus on employee reskilling and upskilling
- Development of a ways-of-work framework to accommodate diversity of business
- Investment of R13.1 million to upskill and reskill 499 employees on certified skills programmes
- Level 1 B-BBEE status retained

Intellectual capital

- OEM strategy
- Client case studies
- Continued progress in consolidating and aligning business
- Established Rocketlab Ventures to scale early-stage IP companies

Social and relationship capital

- 10 096 youth impacted through English literacy, maths skills, digital literacy and life skills to under-resourced communities
- Leadership skill development support to 137 unemployed youth and 30% absorption rate of YES graduates
- 76 students supported by EOH financially to study for Bachelor of computing degree or a diploma in IT
- Partnered with Prime Stars in their Step Up 2 A GREEN START UP, a programme which is aimed at inspiring young entrepreneurs to find opportunities in the green economy, through the provision of a practical process that young entrepreneurs can follow to start their green businesses
- Supported 506 Grade 12 learners through the Maths and Science Centre

Financial capital

- Total revenue R6 931 million, net working capital stable at R218 million and adjusted EBITDA of R504 million
- Debt sell down
- Disposals made

Natural capital

- Lower energy and water use due to the reduction in number of occupied buildings, travel and use of Company vehicles as a result of NWOW strategy
- Carbon footprint reduced by 20%

Our strategic drivers

<p>1</p> <p>Access to international markets</p>	<p>2</p> <p>OEM partnership strategy</p>	<p>3</p> <p>Tailored go-to-market strategy</p>	<p>4</p> <p>Superior tech skills: cloud, OT/IT, automation, security, development, data</p>	<p>5</p> <p>Organic growth through cross-sell potential</p>	<p>6</p> <p>SOLVE for good</p>
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Underpinned by a commitment to ethical and transparent leadership and best-practice corporate-governance principles



Our operating context

Trends affecting our clients in 2022-2023

Our clients are heading into a world where the convergence of technologies is providing opportunities for technology companies such as EOH to add value across the IT ecosystem.



1

Key trends within the IT industry

Cloud migration and digital ecosystems

With the onset of the COVID-19 pandemic, working outside of a traditional brick-and-mortar office environment went from a 'nice to have' to an obligatory requirement almost overnight. This resulted in workers becoming increasingly comfortable with the work-from-home environment, and the subsequent widespread adoption of hybrid working environments, where workers split their time between office and home. Working virtually or outside of an office's traditional 'plug-in' digital platform is just one of the elements driving greater cloud migration and the development of more advanced, yet intuitive digital ecosystems.



Cloud adoption has been a feature of the IT environment for over a decade – cloud referring to servers that are accessed over the internet, as well as the software and databases that run on those servers. As the need to access data, applications or other business elements remotely has increased, cloud-migration services have expanded concurrently. Outside of the ability to access information anywhere, the cloud has provided businesses with other benefits,

including cost savings, operational performance and overall security. Between 2020 and 2025, BMIT has forecast cloud services to reach a compound annual growth rate of 21.2% in the South African IT market, and cloud enablement 13.8%.

Edge computing – moving enterprises towards the edge of their networks – is another trend being spurred by cloud migration. Edge computing allows businesses to 'localise' their data, bringing it closer to end-user devices, reducing latency, providing access to even remote areas and improving decision-making timeframes. Outside of the IT industry, the elements required for edge computing to be realised will be provided by a number of players, including hyperscalers, data centre and fibre operators, telecommunications companies and content providers among others.

In a report commissioned by Google Cloud, Oxford Economics defines digital business ecosystems as 'working relationships facilitated by modern, cloud-first digital technologies'. The cloud has supported the growth of more advanced and integrated digital ecosystems as it removes the boundaries historically imposed by data being stored on physical infrastructure. When a digital ecosystem is integrated it allows enterprises to leverage technology and build automated processes, all on a seamless digital platform.



Cybersecurity

Cybersecurity has been on the radar for most businesses for some time now. With highly connected systems and supply chains, as

well as increasing use of cyber-physical systems, organisations are increasingly finding themselves exposed to potential cyber-threats. The conflict between Russia and Ukraine has illustrated how these threats can expand beyond hackers targeting business functions into what some have called a 'cyberwar'.

Hackers are deploying increasingly sophisticated methods to attack businesses, keeping abreast of rapid technological advancements, dodging detection and finding new ways to work around a company's security protocols. Application programming interfaces ("APIs") – the software that allows integration and communication between different platforms – is becoming an often-targeted area for breaches. However, businesses are not entirely vulnerable, as skilled IT providers continue to advance barriers to cybersecurity threats.



Data-driven automation, virtualisation big data and AI

As technology exponentially advances, solutions have emerged to use data to create more automated, 'human-like' experiences. These have resulted in a number of interrelated trends emerging in the industry:

- 1. Automation:** This refers to software or systems introduced to automate manual or repetitive processes in order to improve efficiencies. The term has evolved into a concept termed 'hyperautomation' which refers to the incorporation of elements like artificial intelligence ("AI"), machine learning ("ML"), and robotic process automation ("RPA") to improve the efficiency and accuracy of a traditional automation process.



Our operating context *continued*

2. Virtualisation: As the name suggests, virtualisation involves the creation of a ‘virtual’ or software-based representation of data, applications, servers, storage and networks that allows elements of each to be used by multiple users, in some instances simulating traditional hardware functionality. The benefits of virtualisation include improved efficiency, reduced costs and maintenance requirements, and greater business continuity and disaster recovery.

3. Big data: This refers to new ways of approaching massive volumes of data, which may comprise many different formats, and may grow – often exponentially – over time. Gathering, processing and analysing these data sources allows business to find innovative new solutions and address bespoke customer needs which may not previously have been apparent, let alone addressed.

4. AI: AI is an umbrella term also linked to ML and RPA. From an IT business perspective, AI leverages computers and machines to mimic human intelligences in terms of decision-making capabilities and problem solving, adjusting to new data inputs and experiences for specific tasks. While it can be publicised as talking robots and self-driving cars, AI can also cover more practical solutions such as detecting fraudulent activities, recommending products on ecommerce marketplaces and using computer vision to detect a particular element in a digital image.

While these trends are anticipated to continue gaining momentum in future, they have been met by growing calls for enhanced data privacy, transparency, traceability and overall cybersecurity. Globally, ethical questions have been raised in terms of how some multinational organisations look to benefit off user data. In South Africa, regulation including the Protection of Personal Information Act No 4 of 2013 (“POPI Act”) has been implemented in order to govern how organisations process and use personal information in the country.



As-a-Service

As-a-Service solutions are based in the cloud and have led to developments in multiple areas of the IT-offering stack. Terms often used in this context include Anything-as-a-Service (“XaaS”) Infrastructure-as-a-Service (“IaaS”), Software-as-a-Service (“SaaS”) and Platform-as-a-Service (“PaaS”).

IaaS refers to hosting infrastructure on either the public or private cloud instead of a traditional on-premises data centre. The service allows users to access the latest infrastructure services without the cost and skills required to operate on-premises equipment. Outsourcing IaaS allows enterprises to tap into an experienced, third-party knowledge base when it comes to security and provides the opportunity to improve business continuity and disaster recovery.

SaaS and PaaS respectively refer to services where a third-party provider hosts software or platform-based services which are then delivered over the internet. IaaS, SaaS and PaaS are not mutually exclusive, with many medium to large organisations using more than one (if not all three).



5G adoption

5G represents a new cellular network technology which will allow for enhanced connectivity speeds over increasingly dense networks. The evolution of the technology is anticipated to spur an increasing number of use cases as it proliferates. With additional 5G spectrum bands having now been allocated in South Africa, the growth of these networks is anticipated to speed up in the short to medium term, supported by continued fibre rollout.

Two use cases often cited in a ‘5G World’ are greater internet of things (“IoT”) adoption and the Metaverse. IoT has emerged as an umbrella term to cover a variety of physical objects, pieced together in some form of network and embedded with sensors, software and other technologies, in order to monitor and exchange data. 5G is anticipated to spur the deployment and development of these networks given its more consistent access to internet connectivity. Intelligent spaces and smart cities are some of the evolving trends emerging from the continued development of IoT, which allows, for example, AI-driven security, traffic monitoring and proactive health, safety and environmental alerts.



2

Emerging technologies

The following emerging technologies currently do not have a significant impact on the South African IT market dynamics, however, they may have an increasing level of importance in the long term for EOH and are being closely monitored.



Blockchain

A blockchain is essentially a digital ledger of transactions that is duplicated and distributed across a network of computer systems. Each block in the chain contains a number of transactions, and every time a new transaction occurs on the participant’s ledger. The decentralised database managed by multiple participants is known as distributed ledger technology (“DLT”).



Web3.0

Web 3.0 represents the next iteration or phase of the evolution of the internet, and could potentially be as disruptive and represent as big a paradigm shift as the evolution of Web 2.0 was. Web 3.0 is built upon the core concepts of decentralisation, openness, and greater user utility.



NFTs

A non-fungible token (“NFT”) is a digital asset that represents real-world objects like art, music, in-game items and videos. They are bought and sold online, frequently with cryptocurrency, and they are generally encoded with the same underlying DLT as many cryptocurrencies.



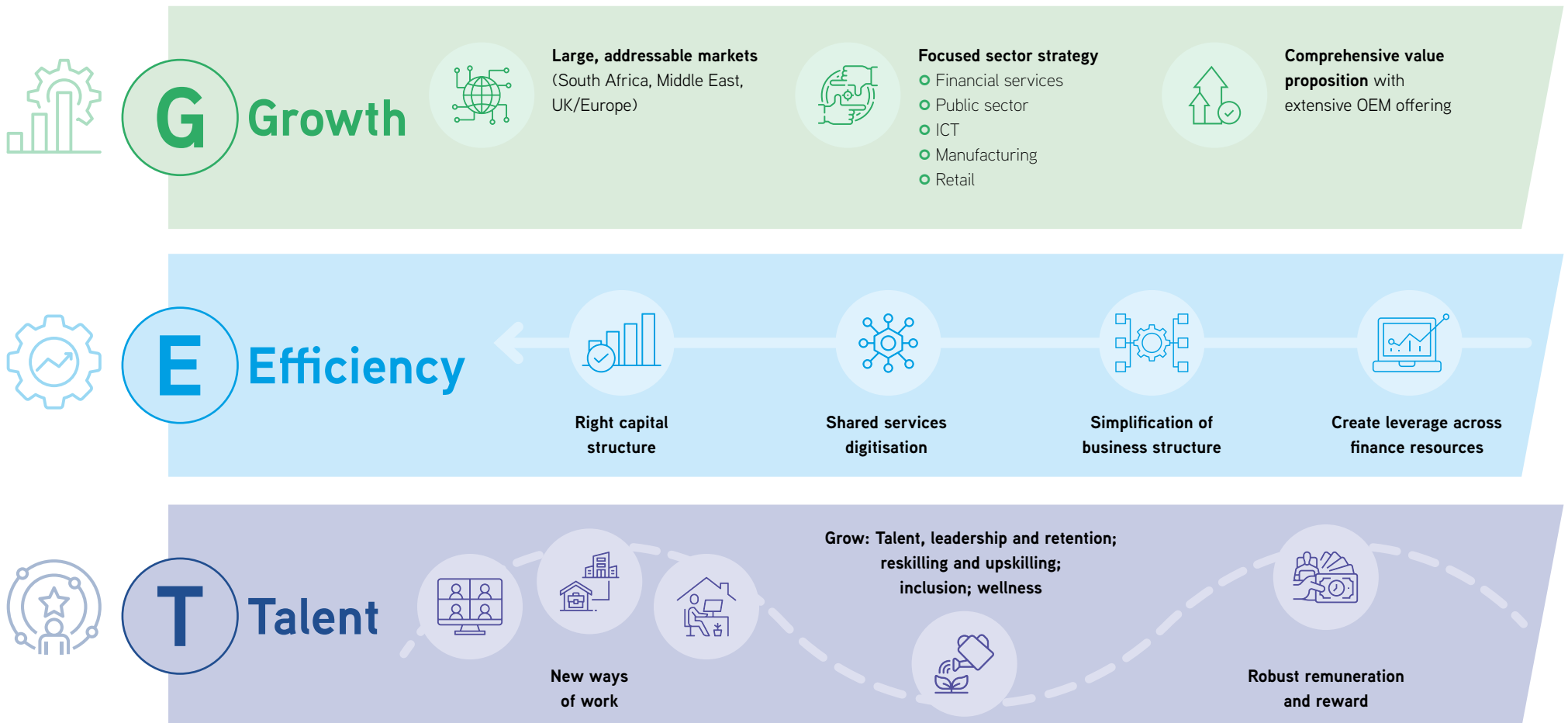
Metaverse

Meta defines the Metaverse as the “next evolution in social connection”, “a set of digital spaces that you can move seamlessly between”. It is seen to be an integrated, virtual platform of potentially infinite end-use cases, including social connections, work, recreational activities, gaming and education, to name a few. From a technology standpoint, this form of live-action interfacing with a digital platform will require enhanced internet connectivity, data, and cloud capability.



Our GET strategy

2023 is the year for investing in our business and really pushing the growth envelope. Free to direct all our energies on clients and solving their challenges – this will be what propels the Group performance.





Chief Executive Officer's Report

FY2022 proved to be a momentous one for EOH. We effectively completed our turnaround strategy, and have begun preparations for an anticipated growth phase.

We made good progress on identified focus areas, including the deleveraging of our balance sheet, the exit of non-performing and non-core businesses, as well as the close-out of legacy and low-margin contracts to improve the quality of our earnings.

We managed to substantially increase efficiencies and client retention. As a result, we are very pleased to report a full-year total operating profit of R282 million.

We have noticed a marked shift in sentiment among our customers and other stakeholders, with an increased degree of focus on our ability to create value. We have seen positive momentum in new deals in both the public and private sectors as a result.

Our transformative journey has shed legacy governance issues, begun to right-size the corporate structure and balance sheet, and positioned the business for future growth.

EOH's GET strategy

Our survival strategy, focusing on transparency, establishing a fit-for-purpose capital structure, and rebuilding credibility through robust governance, has proven successful in revitalising the business, ensuring that EOH has become a strong and ethical corporate citizen, and securing the jobs of more than 11 000 people.

The past three-year journey has taught us many lessons, and created a foundation for the new leadership team, our EOH people, and our many stakeholders, to focus on growth and opportunities.

Looking forward, we are excited to intensify our focus on the next phase of our strategic journey.

Our new GET strategy involves a three-pronged approach: Growth – assisting clients in South Africa and internationally looking to optimise and automate their businesses through

digitisation; Efficiency – a critical advantage allowing us to better navigate volatility and uncertainty; and Talent – creating the optimal environment for our exceptional people to succeed.

G Growth

Our growth strategy can be summarised as follows:

- Optimise and defend businesses: Given its brand strength and longevity in the market, we have a sizeable market share in our Enterprise Applications and Software Reseller businesses, which we expect to grow in line with GDP. We will continue to focus on operating efficiencies to ensure these businesses are lean and can deal with competition in an agile way;
- Growth engines: The significant growth engines are businesses in high-growth markets: iOCO Digital taps into the 4IR market trends while Operational Technology is directly positioned in the rapid growth area of the OT/IT intersection. The Infrastructure Services business creates the ideal platform for clients to outsource their IT infrastructure. All of these businesses are currently significant contributors to total revenue, are earnings accretive and are expected to remain so going forward; and
- Future foundations: these comprise our IP companies (such as Impressions, a digital signature business) that are ready for geographic expansion and scaling.

E Efficiency

One of our core focus areas is to create an “anti-fragile” robust business that can adapt to the changing environment. To this end EOH has right-sized its cost base, including a simplification of the business and legal entity structure and the further digitisation and automation of our shared services to improve efficiencies across the business. Management will continue to focus on this strategy to maintain its strategic competitiveness and position it to deliver sustained growth into the future.



Stephen van Coller Chief Executive Officer



Chief Executive Officer's Report *continued*

T Talent

We have made great progress towards creating a compelling and future-focused employee value proposition which includes a strong focus on employee attraction, retention and engagement. Our move is toward a future model of work that encompasses the social, technological and economic influences of the 21st century with a new-way-of-working model which is centred around establishing EOH as the best place to work by designing a networked talent ecosystem that is location agnostic. Our focus on fair and equitable remuneration continues and will ensure we drive a pay-for-performance philosophy.

Operational performance: iOCO

The strategic focus on the iOCO Infrastructure Services business has delivered strong results aided by the acquisition of new clients and key existing clients renewing multi-year managed services contracts. Specifically, the hardware business was somewhat impacted by global supply-chain disruptions, specifically in relation to global chip shortages, directly affecting the supply of data-centre hardware.

As announced in our interim results, Software Reseller and Enterprise Applications experienced a difficult first half of the year. Due to continued margin pressure from OEM suppliers the situation did not improve in the second half of the year. The immediate strategic focus is to add more software brands to the portfolio in line with the key acquisitions of software vendors made by OEM partners. The Enterprise Applications business has also faced continued headwinds over this period, with slow sales cycles and delays in client decisions impacting total revenue growth.

iOCO Digital, one of the fastest growing clusters in the Group, posted a strong performance in FY2022. The business has achieved strong growth across the cluster, but specifically in key areas such as cloud, application development, and automation. In addition, the advisory, design-thinking-led approach is yielding increased demand for Digital Squads focused on driving innovation and digital transformation across the Group's client base.

iOCO Operational Technology, the Group's flagship provider of operational technology solutions, came under pressure from a total revenue growth perspective in the second half of the year, largely

on the back of constrained infrastructure investment from both the public and private sectors in South Africa, but continued to deliver good margins and adjusted EBITDA profit. The business continued to invest in its expansion strategy and was formally awarded the rights to the East and West African territories of its primary OEM partner, an accolade of which we are very proud.

Operational performance: NEXTEC

NEXTEC continues to make progress with the turnaround of its People Solutions Business and accordingly maintained its strong first half performance into the second half of the year. The Infrastructure Solutions Business had a tough second half due to the effects of supply chain delays and interruptions from OEM providers. It has also felt the effects of several delays in large projects, principally in the public sector.

International opportunities

Exciting opportunities are developing in the United Kingdom, parts of Europe, Egypt and the Middle East. Our focus is on creating centres of excellence internationally, pursuing mid-market clients, and ensuring that there is an appropriate movement of IP and skills across the geographies in which we operate.

FY2023 focus

Despite the difficult operating environment EOH continues to demonstrate resilience and affirm our profitability. The final step now is to optimise the capital structure and we are confident that we can deliver in this regard to pursue our growth strategy.

We are now very clear on how we drive growth through our business model and, given the breadth of our business, we are well balanced and sustainable with the solid foundations to drive future growth.

In FY2023 we also wish to make significant progress on the consolidation of legal entities and business; consolidate our go-to-market function and earn our position as the go-to strategic partner for our top 60 customers; grow the business internationally; and continue to invest in our own-IP or platform businesses.

We will launch a Group-wide enterprise resource planning ("ERP") solution which will assist us to operate more effectively by automating core processes and providing real-time visibility into operational and financial performance.

Transparent, timely and consistent communication has been a key factor in our ability to deliver on our turnaround strategy, and it remains crucial as we enter our GET strategy to reduce market uncertainty around EOH operations and clearly articulate our key business drivers and drivers of future growth.

As we embark on the new phase in our evolution, following a period of consolidation, our emphasis is now on enhancing our value proposition and growing our core business from a top-line and earnings perspective. We are well positioned to take advantage of the exponential shifts in the world today, which creates an opportunity to be the most attractive digital transformation enabler throughout Africa and beyond.

Acknowledgements

I would like to thank the Board for its valuable support and counsel during what has been an exceptionally difficult and important period. They made courageous, difficult decisions during COVID-19 which have stood us in good stead.

I would also like to thank our people as well as our customers, who have stuck with us through difficult times, trusted that we'd accomplish what we said we'd do, and without whom we'd simply not have a business.

I am continually impressed by the number of highly intelligent, driven, committed, honest and talented people working at EOH. We want to build a business that will continue to create value for our children's children. The calibre of people we have working with us today, and their dynamic capacity to work together to create solutions, makes me hopeful that this is a real possibility.

Stephen van Coller
Chief Executive Officer



Performance review

In FY2022 we made **significant progress** in terms of **debt reduction** and the finalisation of a sustainable capital structure.

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Chief Financial Officer's Report

In line with our sustained theme of continued improvement this has again been evident in our 2022 results.

Our primary focus has been on ensuring we do sustainable business, and as we close out our disposal of assets and capital restructure, we are focused on our continuing business performance as this forms the basis of our forward-looking business. We saw improvements in our gross margins from continuing business up at 28% from 26% in the prior year and over an 80% improvement in our operating profit from continuing operations at R100 million in the current year.

Our interest burden remains the last issue we need to solve as our business is performing from an operational perspective. As a result of the high cost of interest and a capital structure that is not fit for purpose we ultimately posted a loss after tax from continuing operations of R160 million – an improvement from the loss after tax in the prior year of R307 million.

We saw an improvement of 27% against the previously reported continuing headline loss per share from 98 cents to 72 cents and continuing loss per share showed a 45% improvement from 181 cents to 99 cents.

Cash generation from total operations was strong at an 80% adjusted EBITDA cash conversion while our net working capital is stable at R218 million despite a tough economic environment. We refinanced our debt facilities with lenders on 31 March 2022 with currently R728 million outstanding on the bridge facility and ended the year with R459 million of cash and R250 million of undrawn overdraft facilities.

We continue to drive digitisation and automation of our business and expect to be live on our cloud-based ERP by the end of the calendar year. This should result in efficiency and simplicity unlock in the business.

Capital structure

The reduction of EOH's debt and the finalisation of an overall sustainable capital structure were key priorities in FY2022. Debt, which has been one of our critical areas of concern, has decreased significantly from R2 billion at the end of January 2022 to R1.3 billion at year end, and subsequently R1.2 billion post year end as a result of the conclusion of our major asset disposals. The conclusion of the common terms agreement ("CTA") with our lenders has brought more stability to our capital structure.

Following negotiations with lenders, we successfully refinanced the existing R1.9 billion debt into a R1.4 billion bridge facility repayable on or before 1 April 2023, and subsequently extended by lenders to 31 December 2023, and a R500 million three-year term loan, due on 1 April 2025. Proceeds from the sale of Sybrin and the Information Services Group reduced the bridge facility to R832 million. The proceeds from the sale of Network Solutions and Hymax SA post year end reduced the senior bridge facility by a further R104 million to R728 million. Over time, we believe the business should achieve a sustainable gearing level of c.1.0x to 1.5x net debt/adjusted EBITDA ("LTM") which will position the business for future growth opportunities. The cost of debt and refinancing costs seen in FY2022 unfortunately increased the finance cost line. When combined with the increase in the repo rate we have seen our blended cost of debt increase by 230 basis points over the financial year. With a normalised capital structure we would also expect to see the margin we pay on JIBAR decrease by between 200 and 300 basis points.



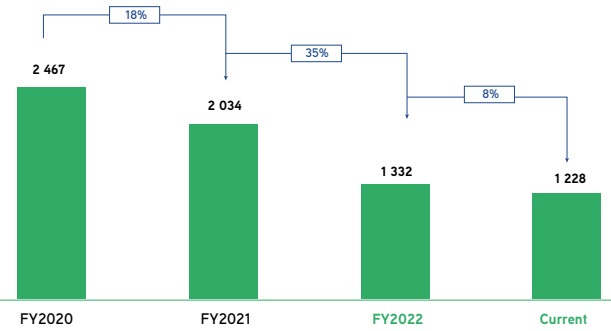
Megan Pydigadu Chief Financial Officer



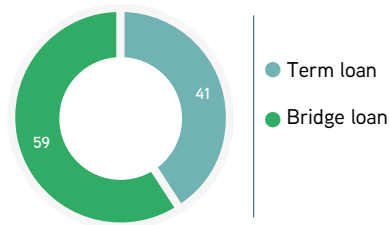
Chief Financial Officer's Report *continued*

Further, right-sizing the capital structure will allow EOH to pursue a growth strategy, immediately improve earnings and ultimately lead to a value unlock for shareholders. The final resolution of the capital structure therefore remains a business imperative, particularly in the context of the current rising interest rate environment.

Debt Strong deleveraging performance



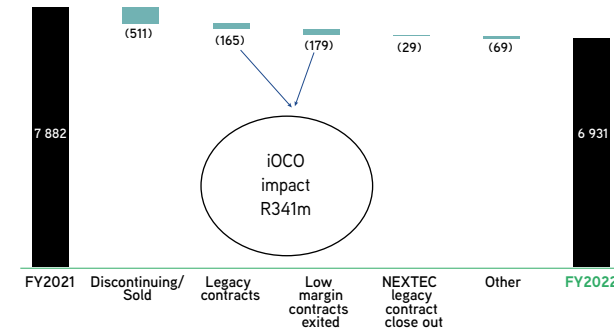
Remaining loan split (%)



Improved earnings quality

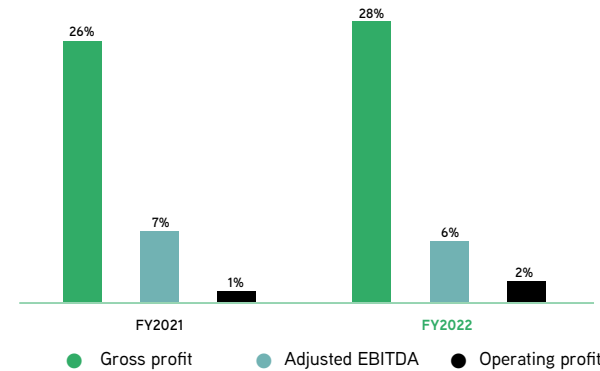
From a total revenue perspective we have seen our total revenue stabilising and particularly from an iOCO perspective start to grow again once the effects of legacy and low margin contracts are removed from the base.

Total revenue Major movers



Our focus on quality of earnings is paying off, with a steady increase in gross profit, adjusted EBITDA and operating margins and HEPS over the past three years. iOCO's closing out of legacy contracts in the prior year, and the beginnings of the turnaround in NEXTEC's results in the current year, have all contributed to the improvement in margins.

Continuing margins

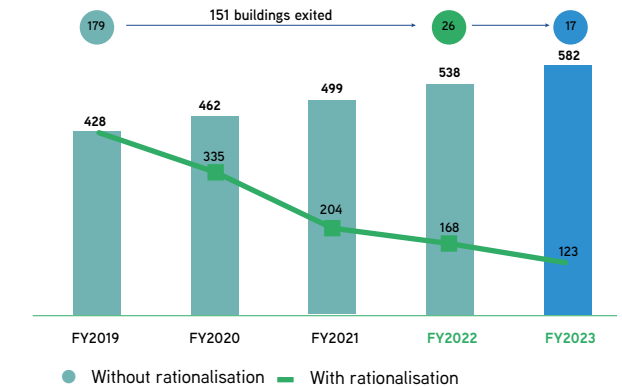


Continued focus on cost containment

The drive to remain agile at an operating-expense level was also key in ensuring we delivered an operating profit from continuing operations.

In an external environment marked by continuing volatility and uncertainty, it is crucial that we maintain a cost structure that allows us to weather headwinds and respond quickly to opportunities. We have worked to reduce our fixed-cost base, including the exit of property leases and expect further cost savings as a result. Property rationalisation started in 2019 and we have exited 151 buildings, saving an estimated R256 million in annual costs. We anticipate saving a further R45 million in 2023 based on 25 lease exits in the FY2022 financial year as we close this chapter. We have had similar success in reducing legal entities from 272 to 112 by financial year end. This has significant administrative, tax, audit and finance-efficiency implications alongside the reduction in business risk. We also expect to see further savings coming through in 2023.

Property cost (Rm)



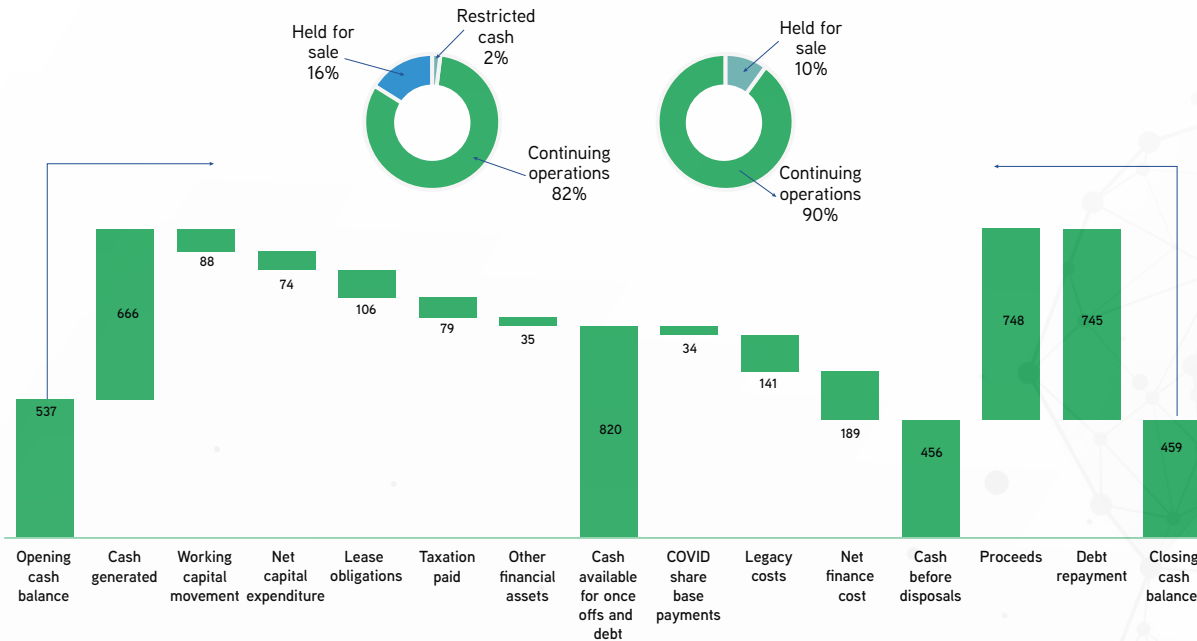


Chief Financial Officer's Report *continued*

Liquidity

We had a good year from a liquidity perspective, with adjusted EBITDA-to-cash conversion at 80%. EOH continued to closely manage its working capital and liquidity, with gross cash balances of R459 million as of 31 July 2022, including foreign and restricted cash, but excluding its R250 million overdraft facility which remained undrawn at year end.

Cash bridge (Rm)



Settlement of legacy issues

Legacy issues involving ongoing provisions include:

- A PAYE provision related to a dispute with SARS. We have now taken this matter to the High Court to try and find a solution after trying unsuccessfully on six separate occasions to settle with SARS; and
- A provision has been raised related to the settlement of overbilling of licences with the Department of Water and Sanitation (“DWS”). We are close to settling this matter and have in principle come to agreement with the Special Investigations Unit (“SIU”). We expect to conclude a settlement agreement with the SIU during November 2022 for an amount of R112 million, to be payable in instalments.

FY2023 focus

We expect to finalise our capital structure by early 2023 which will set the business up to accelerate our growth-led strategy. Our focus will remain on driving total revenue growth at good margins primarily through our iOCO Digital business, our international expansion and our Infrastructure Services business.

From an efficiency perspective we expect to go live towards the calendar year end of 2022 with the implementation of the fit-for-purpose ERP system and expect to see significant benefits flowing from the automation and consistency of processes the system will bring. We will continue to focus on our legal structure and expect the legal entities to reduce to less than 100 when completed.

Megan Pydigadu
Chief Financial Officer



Three-year review

		2022	Restated 2021	Restated 2020
Statement of profit or loss and other comprehensive income and cash flows from continuing operations				
Total revenue	(R'000)	6 031 100	6 472 428	8 772 134
Operating profit/(loss) before interest and net financial asset impairments	(R'000)	159 361	136 183	(613 081)
Operating profit/(loss) before interest and net financial asset impairments margin	(%)	2.64	2.10	(6.99)
Loss before taxation	(R'000)	(90 328)	(209 906)	(1 321 891)
Loss after taxation	(R'000)	(160 246)	(307 155)	(1 261 657)
Headline loss from continuing operations	(R'000)	(121 700)	(165 160)	(851 118)
Total adjusted EBITDA	(R'000)	503 591	667 205	19 176
Cash generated from total operations	(R'000)	402 875	404 942	706 735
Cash realisation rate	(%)	80.00	60.69	3 685.52
Statement of financial position				
Total assets	(R'000)	3 752 257	5 420 394	7 185 520
Total equity	(R'000)	60 054	177 794	473 185
Profitability and asset management				
Return on equity	(%)	265.36	76.60	(129.56)
Return on total assets	(%)	4.25	2.51	(8.53)
Shareholders' ratios				
Loss per share from continuing operations	(cents)	(99)	(181)	(747)
Headline loss per share from continuing operations	(cents)	(72)	(98)	(505)
Dividend per share	(cents)	–	–	–
Dividend cover	(times)	–	–	–
Net asset value per share	(cents)	34	101	268
Stock exchange statistics				
Market value per share				
– at year end	(Rand)	4.97	6.50	4.86
– highest	(Rand)	8.30	9.60	17.10
– lowest	(Rand)	4.53	4.30	2.30
Dividend yield	(%)	–	–	–
Earnings yield	(%)	(14.5)	(15.1)	(103.9)
Number of shares in issue	(000)	176 545	176 545	176 545
Number of tradeable shares in issue	(000)	168 755	168 758	168 656
Market capitalisation	(Rm)	877	1 148	858
Price to earnings ratio	(times)	(6.90)	(6.63)	(0.96)
Price to net asset value ratio	(times)	14.61	6.44	1.81



Operational review

iOCO*

iOCO is now a well-balanced business, with a focused strategy and end-to-end offering to customers in the ICT space.

Gross profit margins remained strong in the iOCO business at 30.8% (2021: 26.6%) and adjusted EBITDA margins increased from 10.4% to 10.9%.

iOCO Digital is at the heart of 4IR, and delivered a solid performance, albeit with a reduction in total revenue as a result of a close out of a non-recurring contract that was partially offset by new business. The business has focused strongly on cost management and productivity and saw a strong improvement in adjusted EBITDA margin to 12% from 8%.

The Enterprise Applications and Software Reseller saw a reduction in adjusted EBITDA margins. The reduction in adjusted EBITDA margins to 9% from 13% was as a result of OEMs reducing margins to resellers of software and the Enterprise Applications business performing at sub-optimal levels. The performance of our Enterprise Applications business is being addressed and our strategy for OEM software sales is being refined as we look to bring on additional OEMs. We do, however, see margin pressure from OEMs to resellers as a long-term trend.

* All Group figures include inter segmental performance.

iOCO has established Infrastructure Services (“IS”) as an end-to-end service offering. The infrastructure services offering comprises the Managed Services and Connectivity businesses and the Compute Platforms business. The establishment of IS and consolidation of costs has resulted in higher adjusted EBITDA margins for the combined business for the year of 6% from 4%.

The iOCO Platform business houses our knowledge outsource businesses and early platform businesses. This business saw consistent performance with a slight decrease in margin to 12% from 13%.

Operational Technology provides OT solutions to customers in the mining and heavy industry space and posted adjusted EBITDA margins of 19% from 20% in the prior year. Operational Technology margins decreased slightly as a result of investment in growth and opportunities to grow the business into Africa and the Middle East. We were awarded the exclusive licence for AVEVA for East and West Africa during the year which bodes well for our growth strategy.

Our legacy contracts closed out in the current year with the drag on EBITDA reducing from R22 million to R4 million.

NEXTEC*

NEXTEC’s focus has remained on achieving quality earnings through de-risking the profile of deals signed and focused offerings to customers. NEXTEC has made progress in this regard, achieving an improvement in gross margin to 25.7% from 23.2% in the prior year; and more importantly, an adjusted EBITDA margin of 1.7% compared with negative EBITDA in the prior year.

The NEXTEC Infrastructure Solutions business continued to struggle and was impacted by contract delays and international supply challenges, however, this was partially offset by the outperformance of projects in the mining industry, related to demand for mesh communication networks and the positive momentum in our consulting businesses. The Infrastructure Solutions business posted a negative adjusted EBITDA consistent with the prior year.

The NEXTEC People Outsourcing Solutions business performed well, seeing an expansion in adjusted EBITDA margins to 10% from 4% in the prior period.

The Health and other business exit was finalised in the current year with the EBITDA drag reducing from R7 million to R500 000.

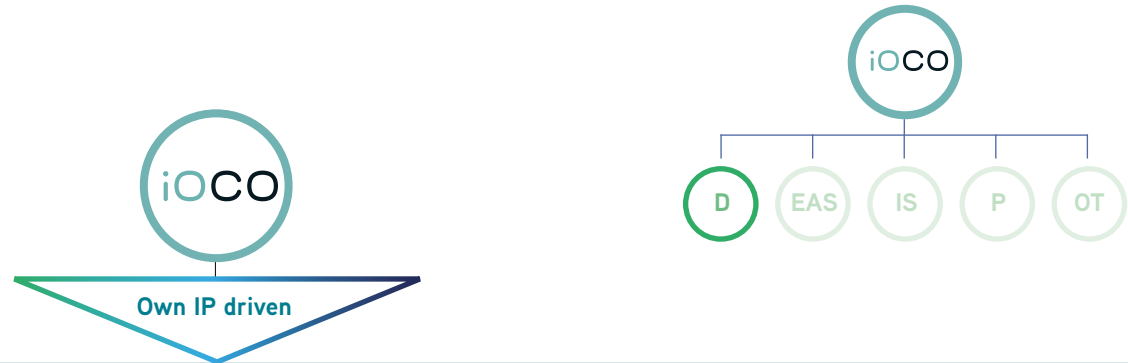
Further right-sizing the capital structure will allow EOH to pursue its growth strategy





Operational review: iOCO

Digital



	Product/Service	Partner and suppliers	Focus area
	AppDev: Provider of Digital strategy advisory, custom solutions, software and application programming interface design, develops Open Systems Integration services, DevOps and quality assurance (testing) and provides application outsourcing services as well as other custom solutions		<ul style="list-style-type: none"> Build an integrated development house, capable of building anything and a dev partner to innovative organisation On-demand staffing model IP development and Innovation Lab enabled – ensuring legalities and commercialisation well documented
	Automation/AI: Provider of automation advisory, implementation, digital workforce COE outsourcing services		<ul style="list-style-type: none"> Automation will allow clients to drive efficiency across business processes End-to-end business automation partner Outsource partner for the client's digital workforce and CoE
	Data architecture and analytics: Provider of data advisory, information architecture design, data integration, implementation, data managed services, and strategic machine learning and automated intelligence solutions		<ul style="list-style-type: none"> Data is building out a proposition which will allow clients to harness their data ecosystems Enlighten customers through access to intelligent data solutions, ultimately allowing the right problem to be solved in the best way
	Quality assurance/testing: Full service and best practices aligned quality assurance (QA) offering comprises mature practices integrated with client's software development lifecycle to reduce delivery bottlenecks and ensuring rapid delivery of features and functionality	N/A	<ul style="list-style-type: none"> QA offers specialised advisory to provide peace of mind in technology environments Advisory lead, tech-independent, full service and continuous QA business
	Advisory: Ensure clients are set up for success, by getting to grips with what drives performance and using various techniques, gleaned from many disciplines, to map out a business analytics roadmap, aligned to client goals and readiness		<ul style="list-style-type: none"> Advisory services ensure clients are set up for success, by getting to grips with what drives performance and using various techniques, gleaned from many disciplines, to map out a business analytics roadmap, aligned to client goals and readiness
	Cloud Solutions: Provider of strategic guidance and tailored blend of cloud solutions. Agnostic platform provider across our own hyperlocal cloud platform and the hyperscale platforms, Microsoft Azure, Google Cloud Platform ("GCP"), but unashamedly leading with the Amazon Web Services ("AWS") platform and services. Cloud services provides services from developing a customer's cloud strategy/roadmap, to defining the migration strategy and execution, securing the platform/s and ultimately managing a customer's hyperlocal/scape environment through our NexGen Managed Services.		



Operational review: iOCO *continued*

Digital *continued*



Performance of business against strategy in FY2022

The Digital cluster outperformed against targets for FY2022. Our business is set up to closely match the demands of our clients across all digital domains. We are pleased with our progress during the year on increasing net clients and secured exciting new work projects. The Digital team comprises 850 highly skilled technology professionals running over 200 projects concurrently.

In the distributed ecosystem economy, success in the digital space requires a consistent adaption to new technology, new partners and new alliances with niche capability. Our Digital team are adept at incubating new ideas and technology while adapting these to specific use cases to see which will have commercial and community benefit.

In FY2022 the Digital team has strengthened the delivery of platforms in the financial services and telecommunications industries. This is a growing market and we see benefit in investing in skills in these areas to grow out the API economy.

Our team has seen an increase in the demand for platform modernisation and creation of brand new platforms to address industry-wide business problems. Our end-to-end capability, which ranges from design, to build, to delivery and hosting in the cloud, managing data and security and has made this an area of consistent growth and innovation for us over the past year and we see further growth opportunities for the future.

Key financial indicators

Total revenue
1 666
(FY2021: 1 863)

Adjusted EBITDA
201
(FY2021: 151)

All Group figures include intra and inter segmental performance.

Big wins/case studies

CI/CD solution

- We implemented a world-class Continuous Integration and Continuous Delivery (“CI/CD”) solution for a leading African bank
- The automated environment management enables the client to perform monthly, as opposed to annual releases
- This enabled the client to respond to market changes far more rapidly than previously
- We deployed a retail online banking application that allowed the client’s users to effortlessly conduct their personal banking online
- We deployed an enterprise online banking application that allowed the client’s business users to conduct banking transactions online
- As a result, the client realised significant financial savings in terms of their licensing fees

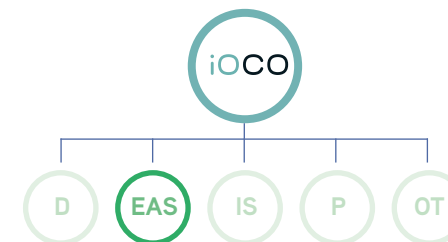
Diesel rebate solution

- Our client came to us requiring a solution to integrate disparate systems, and allow for simpler, more powerful and verifiable control over tax-rebate data
- Before we applied our solution the client was manually exporting data, resulting in multiple Excel spreadsheets with manual manipulations and complex calculations
- This proved inefficient when accounting for periodic changes in SARS tax rebate rules and calculations, and the client was unable to speedily provide auditable proof when queried by SARS
- iOCO integrated various systems’ data into a single location
- This data is automatically processed according to current SARS rules
- A single visual interface is provided for reporting, querying and auditing purposes
- Complex tax rebate calculations are centrally managed and supported by an annual service agreement
- The solution is available as is or as a service including full rebate management
- As a result:
 - › The solution delivered a return on investment in six months
 - › R600 million in fuel transactions have been analysed to date
 - › Disparate data is now centralised and ready to unlock further business value, including logistics efficiencies, route planning, vehicle maintenance, etc
 - › The client has seen increased claim success and has been assisted with historical claims
 - › The solution has virtually eliminated all manual processes and interventions and comprehensive audit reports are accessible within a few clicks



Operational review: iOCO *continued*

Enterprise Application and Software Reseller



Product/Service	Partner and suppliers	Focus area
<p>Enterprise Apps: Enterprise applications are the suite of solutions and complimentary offerings that enable customer's value chains through application of best practice, standardisation and automation of business processes, integration of components, and have a significant role to play in an organisation's digital transformation journey</p> <p>We design, supply, install, configure, optimise and support next-generation, cloud-ready Enterprise Applications:</p> <ul style="list-style-type: none"> Provisioning and management of software licensing cloud or on-prem for all modules of major OEM providers Enterprise application design, architecture, roadmaps and business cases Enterprise application cloud migration strategies Turnkey implementation and systems integration of enterprise applications and supporting solutions using agile Providing ongoing support, Software-as-a-Service ("SaaS") and transformational application any platform-as-a-Service 		<ul style="list-style-type: none"> Become OEM partner of choice, with a consolidated go-to-market strategy and delivery services aligned to OEMs Develop unique industry and domain specialisation
<p>Software Reseller: Expert local representation and reseller for proven OEMs</p>		<ul style="list-style-type: none"> Focused on providing a best-in-class sales hub for OEMs

Performance of business against strategy in FY2022

In FY2022 our Enterprise Applications line of business experienced a challenging year with many traditionally large projects being placed on hold or postponed due to the challenging economic outlook as well as the multiple devastating events in the KwaZulu-Natal region.

We used the opportunity to consolidate and integrate the Enterprise Applications services and solutions within a single line of business. Leadership and operations have also been consolidated and we expect to see further efficiencies gained from operating as a single entity.

A renewed focus on the public sector began to bear fruit with increased revenues and a growing pipeline.

The software business came under margin pressure from OEM's. We are addressing this by looking to adding additional OEM offerings.

Big wins/case studies

Enterprise Applications

- In FY2022 we successfully renewed our support and maintenance engagement with a large municipality for another three years to the value of R120 million
- We are currently rolling out a large digital transformation project to migrate the information of a significant public sector office from legacy mainframe technology to modern technologies

Key financial indicators

Total revenue
1 216
(FY2021: 1 308)

Adjusted EBITDA
110
(FY2021: 173)

All Group figures include intra and inter segmental performance.

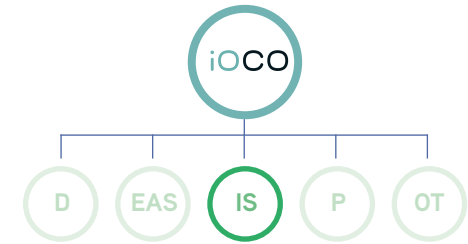


Operational review: iOCO *continued*

Infrastructure Services



OEM and Own IP Driven

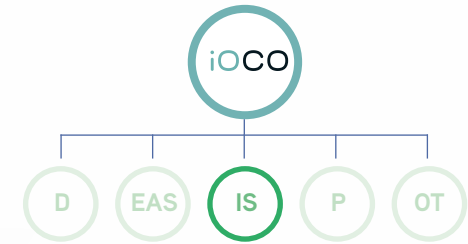


	Product/Service	Partner and suppliers	Focus area
	Computer: Provider of data-centre services, end-user workspace, IT management and security and platform engineering services	 	<ul style="list-style-type: none"> Provider of full range of data-centre services, end-user workspace, IT management and security and platform engineering services
	Manage and operate: Provider of Infrastructure-as-a-Service, Application-as-a-Service, IT service management, managing everything from the client's data centres through to their end-user workspace (e.g. office desktop) and includes on-premises, public cloud and hybrid	 	<ul style="list-style-type: none"> Provider of Infrastructure-as-a-Service, Application-as-a-Service, IT service management, managing everything from the client's data centres through to their end-user workspace (e.g. office desktop) Offer clients an end-to-end solution
	Network solutions: Provides network management and monitoring (highly customisable network monitoring solution and visual dashboard reporting to optimise application and network performance) and connectivity solutions and unified communications (connect clients to the right network infrastructure that supports business needs)		<ul style="list-style-type: none"> Provider of network management and monitoring (highly customisable network monitoring solution and visual dashboard reporting to optimise application and network performance) and connectivity solutions and unified communications (connect clients to the right network infrastructure that supports business needs)
	Cloud solutions and infrastructure: Provider of end-to-end cloud advisory, implementation services and next generation managed services	 	<ul style="list-style-type: none"> Cloud is transitioning across hosting private clouds to managed services across multiple clouds and next generation managed services iOCO aims to become a fully integrated end-to-end cloud solutions provider offering simplified, agile, unique, secure, cloud advisory, implementations services and next-generation managed services
	Security: Provide customers with oversight, insight and awareness through managed detection and response capabilities that actively protect and search for threats and provide appropriate response measures to eliminate cybersecurity threats	N/A	



Operational review: iOCO *continued*

Infrastructure Services *continued*



Performance of business against strategy in FY2022

The Infrastructure Services business exceeded FY2022 targets. A focus on the quality of services resulted in a 100% retention of all existing contracted clients resulting in a growing annuity total revenue stream. Significant new deals were won with growth in our hybrid cloud offerings, in particular our hosted private data-centre managed services.

The launch of our “Infrastructure-as-a-Service” offerings with a focus on managed security services saw traction in the mid-market with new contracted revenues growing. This together with focus on our data driven automation strategy resulted in improved efficiency and increased gross profit margin as resource productivity improved.

Concluding a workspace and data-centre managed services contract with the National Schools of Government was a key win and provided momentum to a focus on public sector infrastructure services.

Key financial indicators

 Total revenue
1 476
(FY2021: 1 618)

 Adjusted EBITDA
83
(FY2021: 61)

All Group figures include intra and inter segmental performance.

Big wins/case studies

With renewed focus on the public sector, we were able to secure a renewal of our support agreement with a large municipality for a further three years to the value of R108 million. This will take our engagement with this client to nine years – a testament to the quality of service we are delivering and our client-centric relationship focus.

We also secured another three-year support agreement with a leading automotive engineering group to the value of R90 million, providing multiple services across multiple business units.

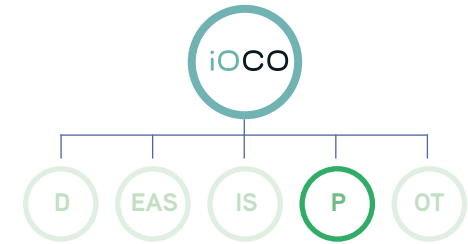





Operational review: iOCO *continued*

Platforms



Own IP driven



Product/Service	Partner and suppliers	Focus area
 <p>Platforms and its own IP: Provider of diverse value propositions; namely core banking software, HR software, business process digitisation software and fraud detection software</p> <p>Focus on being able to deliver a full offering across a client's specific departments</p>	  	<ul style="list-style-type: none"> Provider of full range of data-centre services, end-user workspace, IT management and security and platform engineering services

Key financial indicators

 Total revenue
445
 (FY2021: 496)

 Adjusted EBITDA
54
 (FY2021: 65)

All Group figures include intra and inter segmental performance.

Performance of business against strategy in FY2022

The business performed steadily overall, however, revenue decreased as a result of exiting a low margin contract.



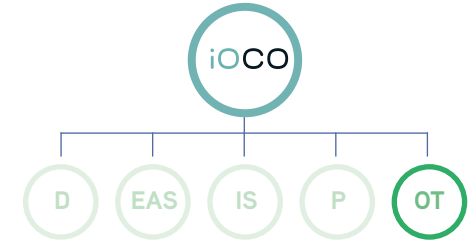


Operational review: iOCO *continued*

Operational Technologies



OEM driven



	Product/Service	Partner and suppliers	Focus area
	<p>Digital Industries: Provider of OT advisory, implementation, managed services. Additional services include industrial cyber and network security, industrial supply chain optimisation, EPLMS, mobility, digital twinning simulation and asset performance management. The ISA 95 Level 0 portfolio includes design at the process level, asset performance of hardware and devices at Level 1, our SCADA/DCS systems at Level 2, our manufacturing execution systems at Level 3 as well as our production scheduling and system performance at Level 4</p>	 	<ul style="list-style-type: none"> Operational Technologies will allow clients to drive efficiency across operational processes, integrating OT and IT Create a robust system architecture, enabling data insights to business decisions and thought leaders in industry

Big wins/case studies

Digital Industries closed out a project for the autonomous automation of the crude oil pipeline from Durban to the Free State to keep the inland fuel supply intact.

It also expanded many of its products and services in the MMM market and concluded a new three-year agreement for technology and local support in the beverage industry.

In heavy industrial environments our predictive analytics systems and models continue to provide our customers with the insight needed to ensure optimal asset performance.

Digital Industries achieved numerous successes in FY2022 including closing out the hotly contested AVEVA sales rights to West Africa and East Africa.

Key financial indicators

Total revenue
468
 (FY2021: 560)

Adjusted EBITDA
87
 (FY2021: 111)

All Group figures include intra and inter segmental performance.

Performance of business against strategy in FY2022

In FY2022, the operational technologies market faced significant headwinds in the public sector spend as a whole. Large projects in SOEs as well as run-rate business in provincial and local government sector were delayed for a variety of reasons, most notably constrained decision making. The commodities super cycle in the Metals, Minerals and Mining markets somewhat, helped offset the public sector drop off. However, we did see private sector business and investor confidence being constrained due to global and geo politics and slow decision making in the private sector.

A further factor in the specialised operational technology markets is retaining key technical competence. Opportunities for specialist skills to earn foreign currency have increased exponentially through either emigration or remote work in South Africa.

With a focus on new services and regions and additional investments into growth, Operation Technologies is anticipating a successful year. Investments planned for FY2023 will assist in driving increased market share. New opportunities also exist in East and West Africa with the awarding of the AVEVA licence.



Operational review: NEXTEC

Infrastructure Solutions



Consults, designs, implements, monitors, and services intelligent digital infrastructure solutions across multiple sectors

Product/Service	Partner and suppliers	Focus area
<p>Digital Infrastructure</p> <p>Communication and connectivity solutions: Turnkey and custom solutions catering to individual and complex wireless communication needs, from network design and implementation to physical infrastructure deployment</p> <p>Power solutions: Intelligent electricity provision, management and back-up power solutions for large electricity consumers and producers</p> <p>Security and building solutions: Providing security and building technology solutions, from access control and network infrastructure to fire suppression and building management systems</p> <p>Water solutions: Solutions for large water users to intelligently manage their water usage and costs enabled through our world-class expertise in water systems optimisation</p>		<ul style="list-style-type: none"> Offers integrated turnkey solutions using a selection of hardware and software solutions to provide field and maintenance for electronic security, safety and network technology equipment Provider of wireless turnkey solutions services Supplier of technology designed for unpredictable power Offers a range of comprehensive UPS systems System engineering and integration solutions for owners and operators of large asset bases, typically power, water and telecoms utilities Water management company that offers expertise in water systems management and optimisation using smart infrastructure Provides fully serviced equipment leases and customised leasing solutions plus value-adding solutions including maintenance, management and cash-flow improvements IMQS Builds specialised, GIS-Centric software for the infrastructure asset management market
<p>Infrastructure Consulting</p> <p>Environmental, sustainability and social-impact consulting solutions: Technology-driven solutions to assess and monitor and mitigate potential negative social, environmental and economic impacts of public and private infrastructure development</p> <p>Logistics solutions: Designing intelligent warehousing and distribution centres and processes using class-leading technology</p> <p>Multi-disciplinary engineering consulting solutions: Mechanical and electrical engineering design and consulting services</p>		<ul style="list-style-type: none"> A supply chain and logistics firm specialising in the design and development of warehousing and distribution facilities Environmental management and impact assessment, providing high-quality environmental and social advisory services Engineering disciplines to design the infrastructure that underpins intelligent technology plans and systems service provider of environmental sustainability (environmental application, audits, assessments), and environmental monitoring (water, waste and air quality monitoring), and hydrogeology (aquifer classification and vulnerability assessments) Provides optimal analysis, planning and management of water distribution, sewer and electricity reticulation systems services
<p>Technology Leasing</p> <p>Rental and financing solutions: Fully serviced equipment leases and customised leasing solutions, plus value-adding solutions including maintenance, management and cash-flow improvements</p>		



Operational review: NEXTEC

Infrastructure Solutions continued



Performance of business against strategy in FY2022

In FY2022 we embedded the strategy across our businesses and paved the way for integrated solutioning for our clients.

In the infrastructure pillar our consulting businesses experienced a turnaround in performance on the back of improved private-sector investments.

Our mesh network business continued its strong performance year-on-year on the back of strong investment in mining networks.

However, public sector infrastructure investments, specifically in water and power utilities, continued to be constrained, and our security and building technology solutions businesses were impacted by the loss of certain key contracts together with ongoing supply chain challenges which negatively impacting project execution and overall performance of the business.

Key financial indicators

 Total revenue
1 188
(FY2021: 1 488)

 Adjusted EBITDA
(43)
(FY2021: (57))

All Group figures include intra and inter segmental performance.

Big wins/case studies

ILS designed and implemented a centralised distribution centre for a leading automotive aftermarket parts distributor in South Africa.

IST secured a multi-year supply contract for critical substation components for a major South African electricity utility.

JOAT installed anti-tampering remote monitoring devices on a large South African national pipeline, protecting national key points and critical resources.

ScanRF was recognised as the number one EMEA partner by a global OEM leader in Industrial mesh networks and critical communications solutions.

CES successfully completed an environmental and social impact assessment ("ESIA") in Mozambique for the 2Africa Submarine Cable System. The project involves the installation of a submarine cable system that will greatly enhance connectivity across Africa and the Middle East.

CES assisted an internationally renowned renewable energy developer in the full suite of environmental services required for a wind farm as part of the risk mitigation component of the Renewable Energy Independent Power Producer Procurement Programme ("REIPPPP"). The completed project will contribute ~100MW of clean energy towards South Africa's national energy grid requirements.



Operational review: NEXTEC *continued*

People Solutions



Consults, designs, implements, monitors, and services intelligent digital infrastructure solutions across multiple sectors

Product/Service

Talent recruitment and outsourcing

Provides functional outsourcing services and solutions, and consolidates Talent, Recruitment, Placement services across all roles: C suite and above, below, permanent, temporary, white collar and blue collar



Cortez: Offers specialised executive search and talent mapping services



MPC: Generalist recruitment company providing staff from lower level to senior/executive positions



Rosstone: Provides resourcing finding scarce skilled professionals and functional outsourcing. Solve seasonal and/or on-demand capability solutions and payroll services



Impact Human Resources: Provides temporary staffing solutions, outsourced payroll service, permanent placement and executive search recruitment services

EOH: EOH Employee Benefits is a licensed FSP offering employers and employees pre- and post-retirement investment advice

Advisory, learning and development, and ed-tech businesses

Provides a single point of access to solutions linked to B-BBEE compliance, learnerships and professional development programmes



Siyaya: Specialises in the provision of training to the disabled community

Sabela: An accredited training provider with the MerSeta holding approved vocational qualifications



Siyanoqoba: A training service provider with a portfolio in excess of 100 courses

Zusiza: Specialises in assisting companies integrate their compliance with various Acts in order to achieve compliance at the lowest cost



Proserv: Designs and delivers customised digital education solutions



MBAT: A registered private technical, vocational, education and training college



Faculty Training Institute: Delivers training, assessment and moderation for professionals



Operational review: NEXTEC *continued*

People solutions *continued*

Performance of business against strategy in FY2022

An improvement to profitability was achieved in our people solutions businesses, with the turnaround of our contact centre operations the primary driver of the improved performance. We have now simplified the operating model across the learning and development and talent solutions pillars and this has brought efficiencies in the cost structures of these businesses together with optimising the offerings we bring to market.

Key financial indicators

 Total revenue
708
(FY2021: 839)

 Adjusted EBITDA
74
(FY2021: 31)

All Group figures include intra and inter segmental performance.

Big wins/case studies

MPC is recognised as the largest centre-based online teaching service provider globally. We significantly expanded our country and client footprint in Europe, Asia, North and South America and increased the forward order book of tutoring hours by over 40%.

The collective training, development and consulting businesses performed nationwide sourcing, recruitment, onboarding, hosting and training implementation of 300 learners (210 with disabilities),

or a major furniture retailer, enabling the client to achieve their required B-BBEE level. The total project value, with stipends, was R29 million and we will be hosting and managing these learners for the next 12 months.

We completed the sourcing, recruitment, onboarding and training implementation of 188 learners, 60 of whom are disabled, for a tier-2 automotive supplier. We achieved 98% competence and 99% retention rate on this R9.7 million deal.





Risk Report

The GRC function today has an important role to play in the execution of our **GET strategy**, enhancing **efficiency** and our **growth drivers**

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Chief Risk Officer's Report

In FY2022 we made sustained progress across all risk management areas by applying a structured and disciplined approach.

EOH recognises that a sound risk culture is a fundamental requirement of an effective risk management framework.

EOH's risk culture is now well established and embedded across the organisation and has been considered integral in the successful turnaround of EOH, as acknowledged by Chief Justice Raymond Zondo in the Commission closeout report.

Macro-economic outlook

The general outlook driven by both macroeconomic and geopolitical factors may have a bearing on the Group's businesses. The Russia-Ukraine conflict remains a concern and continues to impact already high levels of global uncertainty. More than a third of the global economy is headed for contraction this year or next, and the biggest economies, the United States, European Union and China will continue to stall.

The world economy continues to face significant headwinds. The International Monetary Fund ("IMF") lowered its growth forecast for South Africa and now only expects the economy to grow by 2.1% versus a prior growth rate of 2.3%. For next year the IMF sees growth of 1.1%, down from 1.4% previously. In contrast, the IMF expects Sub-Saharan Africa to grow by 3.7% in 2023.

The riots in two of South Africa's critical hubs, Gauteng and KwaZulu-Natal, continues to weigh on the economy. While unrest has abated somewhat, the underlying social, economic and political challenges remain. The continued interruptions in power supply, consequent water restrictions, rising inflation and higher cost of living, and fiscal risks will place further pressure on an already fragile economy.

Anti-fragility and crisis fitness enabled by risk management

When we began our Road-to-Green journey two and a half years ago it was critical to articulate the reasons for the processes and encourage the organisation to buy into its importance. The additional foundational element was getting together experienced, senior people across key roles that would understand the pressure and stress points and devise and construct fitting solutions. That approach has yielded substantial returns.

The Road-to-Green

From a regulatory and reporting perspective, we have gleaned intelligence from the financial services sector and incorporated appropriate measures on the various lines of defence structures and driving the right behaviour through leadership actions and communication, organisational-wide governance, incentives and consequence management and organisational and individual capability. Partnerships and collaboration across the organisation have been strengthened which is reflected in the increased levels of coordination of the combined assurance process.

Responding to an organisational challenge has evolved into an opportunity from which we expect to derive continued benefit. Our risk management function today has an important role to play in the execution of our newly launched GET strategy, focusing on growth, efficiency and driving solutions on talent.

The accolades we received from the Zondo Commission affirmed the value we derived from these processes. We were also encouraged to see that just about all the final recommendations of the Commission were aligned with the approach we have taken to eliminate instances of malfeasance, and stakeholders are increasingly comfortable that the processes implemented are proving effective. In the end, the effectiveness of the policies and processes created, relies on their embodiment within company culture - an area where we are seeing year-on-year improvement.



Fatima Newman Chief Risk Officer

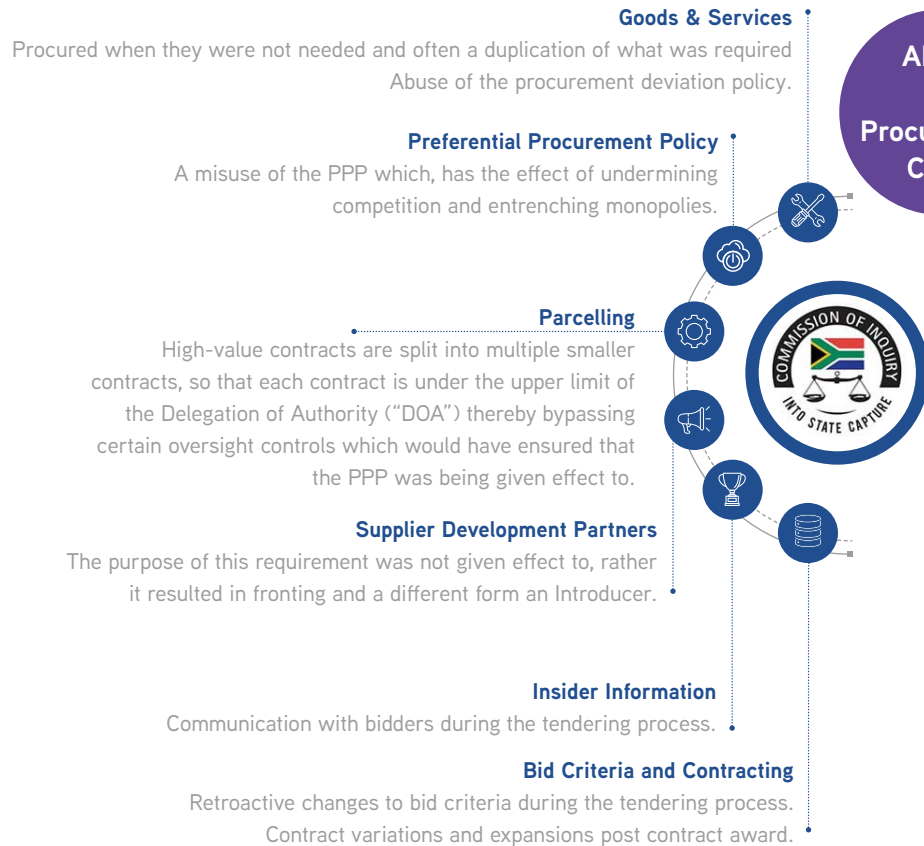
7 Pillars of Governance



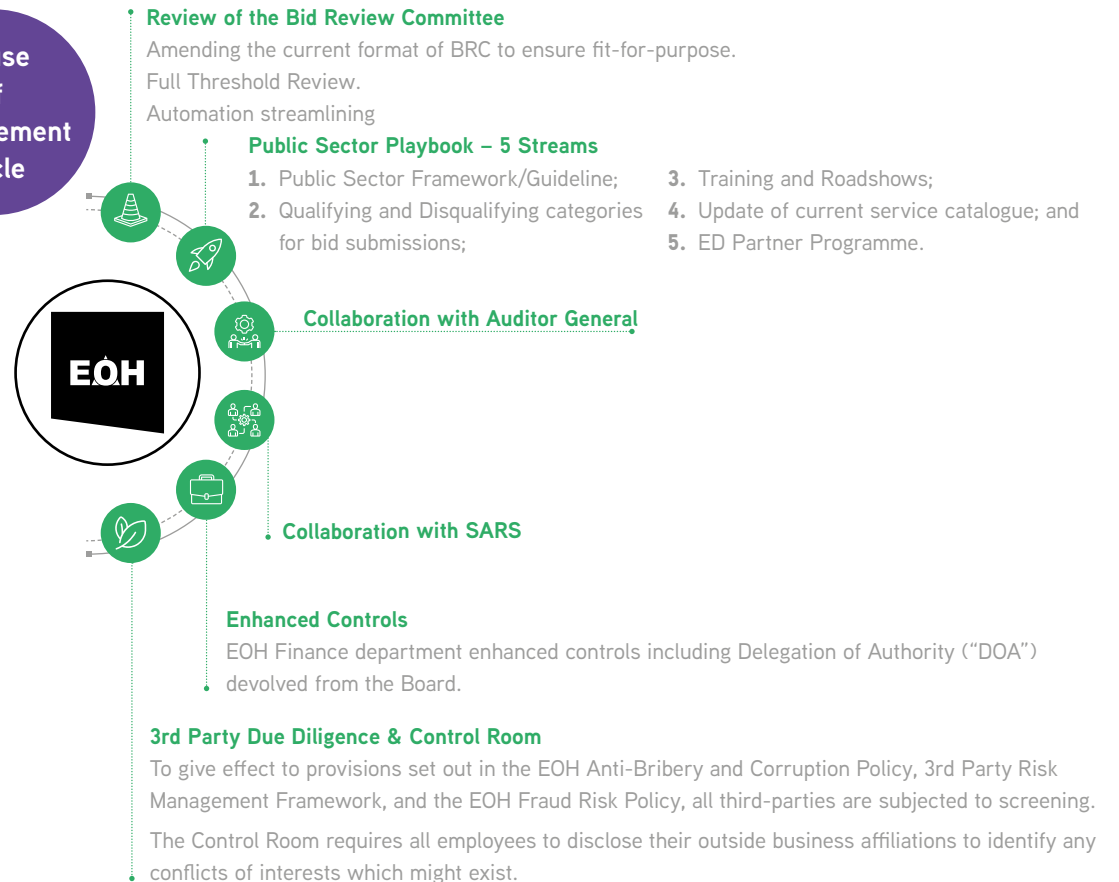


Chief Risk Officer's Report *continued*

Commissions public sector findings



EOH improvements in the public sector



Close-out of legacy issues

The Group continues to focus its efforts on closing out of the last two remaining legacy issues. The first issue relates to settling with the Special Investigative Unit ("SIU") on the Department of Water and Sanitation ("DWS") investigation. We are close to settling this matter and have in principle agreed terms with the SIU. We expect to execute the legal agreements by November 2022.

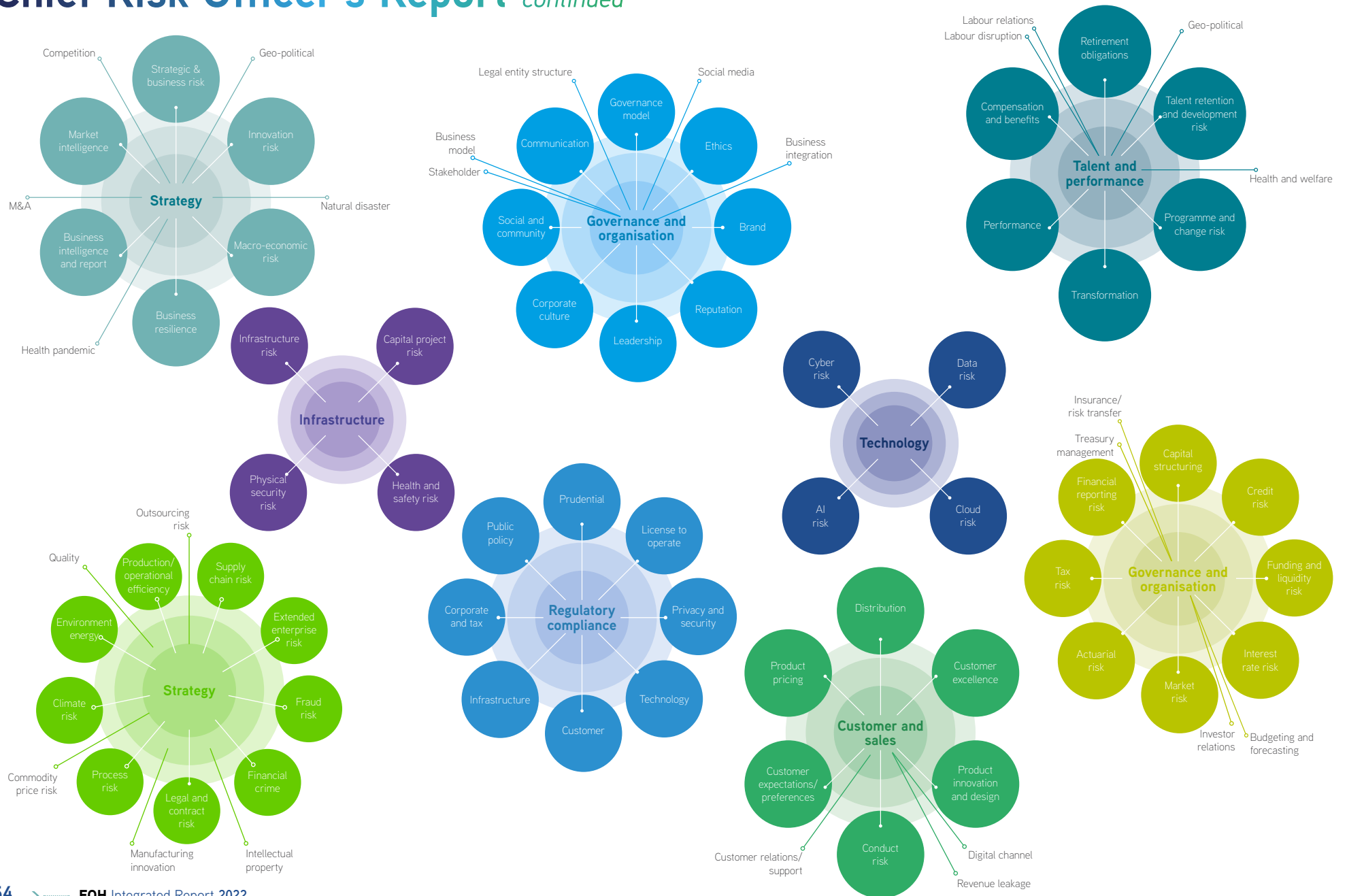
The remaining issue relates to a PAYE dispute with SARS. We have set out on several occasions to reach a settlement with SARS and will now be referring the matter to the High Court in a further attempt to reach resolution.

Management of risk

Despite external and market volatility, outcomes of implemented risk management processes demonstrates our agility and robust risk culture.



Chief Risk Officer's Report *continued*





Chief Risk Officer's Report *continued*

Principle-risk approach

- The Group employs a principle-risk approach to managing risks; and
- The principle-risk framework is embedded across all operations and is the totality of systems, structures, policies, processes and people within the Group that identify, measure, monitor, report, control and mitigate internal and external sources of material risk.

Our top 10 risks

- The Group employs an enterprise-wide risk management approach and significantly utilises technology to manage outcomes; and
- EOH's Board and its subcommittees oversee an integrated risk management process through regular engagement with management across a wide range of activities and function.

Combined assurance

- EOH undertakes a combined assurance approach in order to optimise and enhance levels of risk, oversight and governance monitoring; and
- The combined assurance approach ensures all assured activities undertaken by internal and external providers address risk holistically.

Road-to-Green

- Our Road-to-Green journey is centred on a seven pillars of governance approach; and
- This principles-risk based approach was built on a clear and consistent plan across all levels of risk.

Business resilience

- Our Group-wide business resilience plan aimed at accelerating resilience of critical risks and services, in an effort to ensure protection and adequate response against potential shocks, disruptive events and sophisticated cyber-attacks and includes:
 - › Improved cybersecurity crisis readiness aligned to the International Centre for Internet Security ("CIS") standards and implemented further controls to ensure close compliance with the Cybercrimes Act.
 - › Implementation of a zero-trust network framework, ongoing monitoring and awareness and user training.

Resilience testing

- Forward-looking and robust processes built into our budgeting and credit risk processes, macroeconomic and global shocks and its impact on the Group and the impact of socio- and geopolitical risks.

FY2023 focus

In FY2023 we will continue to focus our efforts on driving finalisation of an efficient capital structure. Further focus will be on driving our legal entity structure to an optimal level.

The lessons learnt concerning business interruption, together with the new challenges posed by hybrid working arrangements, cyber threats and possible interruptions from civil unrest, will continue to be incorporated into our business resilience plans and data privacy management.

The EOH Group is currently embarking on a Group-wide rollout of an enterprise resource planning ("ERP") solution. Our risk management teams have a key role to play in ensuring operational

controls are effectively built into the system, and to monitor the risk of business interruption should challenges be experienced during rollout.

The adoption of digitisation and automation continue to increase, as does the need for personalisation and individual control. Governments and businesses have understood the potential of technology for years and the enabling of utilising data and AI as levers for competing.

We are committed and will drive the Group's future growth in our innovation and digitisation efforts. Our capabilities in our technology, data, people and business model allows us the ability to leverage solutions for our customers. Our commitment, in a world where rapidly changing technologies are altering the course of humanity, our purpose is what defines us, reverberating deep within our core. Our purpose evokes pride, integrity and innovation in everything we do and moves us towards a sustainable and transformative future.

Fatima Newman
Chief Risk Officer



GRC risk overview

Our enterprise risk management approach, which has continued to evolve, has enhanced our risk identification, assessment and control procedures.

The Board and executive leadership sets the tone in the organisation in a highly visible manner and the Board members have broad contact with various members across the organisation. The executive leadership drives a culture of open and frank conversation and seeks to promote long-term sustainability and prudent management of risk.

While the Board oversees compliance with policies, the executive leadership intends on instilling a culture of acting lawfully, ethically and responsibly. An overview of key policies that apply to our staff such as the Whistleblower Policy, Anti-Bribery and Corruption Policy are provided for in the Group's Code of Conduct. Material incidents and breaches relating to those policies and Code of Conduct are reported to the Board typically through the relevant Board sub-committees. The committee meets quarterly and on an ad hoc basis as and when a decision needs to be taken in respect of what is deemed to be an unusually heightened risk or of a value that is greater than R300 million. The main responsibilities of the Group Risk Committee are to:

- review the top risks facing the Company and mitigation actions to reduce the risks;
- oversee projects/structures in place designed to identify and reduce risk, such as the compliance and ethical programmes and the bid assurance function;
- discuss business unit risks and monitor their mitigation at quarterly BU reviews;
- decide on matters escalated that involve an unusually high-risk issue; and
- any proposed transaction or bids that have a greater value than R300 million.

Managing our risks and opportunities

The risks tabulated alongside are the top risks for the EOH Group for FY2022. Risks identified here are overseen by the Governance and Risk Committee, which is accountable for providing oversight of the actions being managed at executive level.

Risks are managed within the context of the risk and compliance framework, which forms part of the EOH corporate governance framework. This framework includes control, management compliance and integrated assurance, aligned to our five philosophies, and is designed to drive our strategic objectives and future value creation for all our stakeholders.

Risk	
Impact	Mitigation
Macro-economic conditions	
Russia-Ukraine conflict has led to the implementation of increased sanctions which has a direct impact on EOH's US- and EU-based OEMs and who they may do business with. This conflict has also exacerbated supply chain issues in respect of hardware and chip shortages.	<ul style="list-style-type: none"> ○ Analysis of 16 000+ suppliers and third parties against the OFAC Sanctions list to determine impact ○ Ongoing monitoring through third-party on-boarding/due-diligence process ○ Proactive management of client and project expectations and seeking alternative sources of material. The supply chain issues are of limited effect due to our Hardware business being immaterial in relation to the broader group.
Cyber-threat	
<p>A cyber-attack from outside our organisation or insider threats or supplier breaches could result in service interruptions and/or the infringement of personal and confidential data. This could impact our customers, our total revenue and reputation, and lead to costs associated with fraud and/or extortion.</p> <p>Cyber-threat is an increased risk as a result of hybrid working.</p>	<ul style="list-style-type: none"> ○ The Group IT efforts ○ The info officer efforts ○ Target Operating Model documented, and data-privacy framework and implementation plan finalised and is being rolled out ○ Information Officer allocation and impact assessment completion within all legal entities continued ○ A Group-wide resilience plan aimed at accelerating resilience of critical risks and services is being managed ○ Implementation of a zero trust network, ongoing monitoring and awareness and user training.
Regulatory compliance including data privacy	
Failure to meet regulatory requirements such as B-BBEE, tax liabilities relating to statutory employment, and emerging and evolving data-privacy requirements would incur cost and reputational damage.	Constant horizon scanning and engagement with market representative bodies such as Business Unity South Africa ("BUSA") and Business Leadership South Africa ("BLSA") which ensure that EOH is up-to-date with the current regulatory changes and requirements.



GRC risk overview *continued*

Risk	
Impact	Mitigation
Implementation of Group enterprise resource planning (“ERP”) system	
The adoption of a new ERP system, which will replace the existing accounting systems, poses several challenges relating to, among other things, training of personnel, communication of new rules and procedures, changes in corporate culture, migration of data and possible business interruptions during implementation.	<ul style="list-style-type: none"> The implementation of the ERP is subject to robust simulation testing of the system as part of the Combined Assurance methodology Continued oversight, monitoring and advisory is embedded across the implementation process leading up to go live.
People and culture	
There is increasing demand for tech skills in the global market. Remote work in a post-COVID-19 market is providing skilled resources additional opportunities. As competition for these employees increases, EOH may not be successful in attracting and retaining qualified personnel.	<ul style="list-style-type: none"> Updated and revised remuneration policy Launched the RiseUp Academy to provide all employees with a platform to grow their skillset Implementation of ‘wellness Wednesday’ aimed at delivering a holistic approach to employee wellness to all employees Developing creative and flexible solutions around the future of hybrid work A fundamental shift is being embedded through the Group-wide GET strategy, wherein making the office environment (“a cool place to be and contribute”) is a KPI.
Close-out of legacy issues	
Investigation into the DWS matter as identified by the ENS investigation and the SARS tax dispute originating from 2012 around the Highveld Business Unit.	<ul style="list-style-type: none"> On both matters, EOH is proactively and constructively engaging with the respective authorities to ensure a fair and just outcome for all stakeholders concerned In respect of the DWS/SIU matter, EOH is close to final agreement in terms of compensation to be paid to the DWS A strategic team of experts have been assembled from both internally and externally who are tasked with navigating through this matter in the best interests of all stakeholders.
Liquidity	
Liquidity constraints could be faced due to the suboptimal gearing of the balance sheet.	Liquidity has improved. Debt has significantly reduced and capital structure plans are almost complete.

Embedding risk management

We continue to embed risk management practices, including:

- developing and refining automated controls and processes that align to best-in-class practice;
- overseeing and refining tolerance levels and controls within the new ERP system;
- enhancing risk management monitoring, management and reporting through digital offerings to provide real-time assurance;
- focusing on human capital risk as it relates to employee mental health, as a result of COVID-19 and the impact of hybrid ways of work; and
- innovative and efficient training.

Our risk heat map



Risk rating



	Risk matters
1	Macro-economic conditions
2	Cyber-threat
3	Regulatory compliance, including data privacy
4	Implementation of Group enterprise resource planning (“ERP”) system
5	People and culture
6	Close-out of legacy issues
7	Liquidity



Governance underpinning strategy

Governance structure

The EOH governance framework arises from the fiduciary obligations and responsibilities of directors as defined by the Companies Act and King IV best-practice principles of oversight and control. It is based on the accountability and line of authority and is applicable to all businesses in the Group to ensure the governance objectives are met. The seven pillars of EOH's governance framework represent the key processes or mechanisms applied to effectively uphold, sustain, defend and enforce the ethical values of good governance throughout the Company.

Seven governance pillars

Each of the seven governance pillars has defined critical value elements. These value elements are the key building blocks that ensure that the Group's objectives of good governance are implemented and continuously pursued.

Our approach to governance

EOH is committed to the highest standards of business integrity, ethics and professionalism. The Board and executive management, in setting the tone from the top, are committed to the principles of good governance, striving to be an ethical, relevant force for good and to play a positive role in society.

Definition of governance

We define corporate governance as exercising ethical and effective leadership to direct and manage effective governance and standards of accountability and transparency within the Company. Good governance is implemented through a best-practice governance framework that aligns to the principles of King IV as well as the governance requirements of the JSE Listings Requirements and the Companies Act. The governance framework provides an integrated approach to connect critical factors that affect EOH's ability to create and protect value for all stakeholders in a sustainable way.

Purpose

SOLVE
 Courageously . Exponentially . Together

Seven governance pillars



Five governance objectives

The EOH governance objectives stem from the Board Charter and Board committee terms of reference and align with the EOH purpose, philosophies and value

Code framework for governance

We have branded our programme to deliver the governance objectives as CODE. Delivery of this programme to embed governance is a strategic imperative for the organisation as we believe sound governance is an enabler of good business.



Sustainability as part of our business



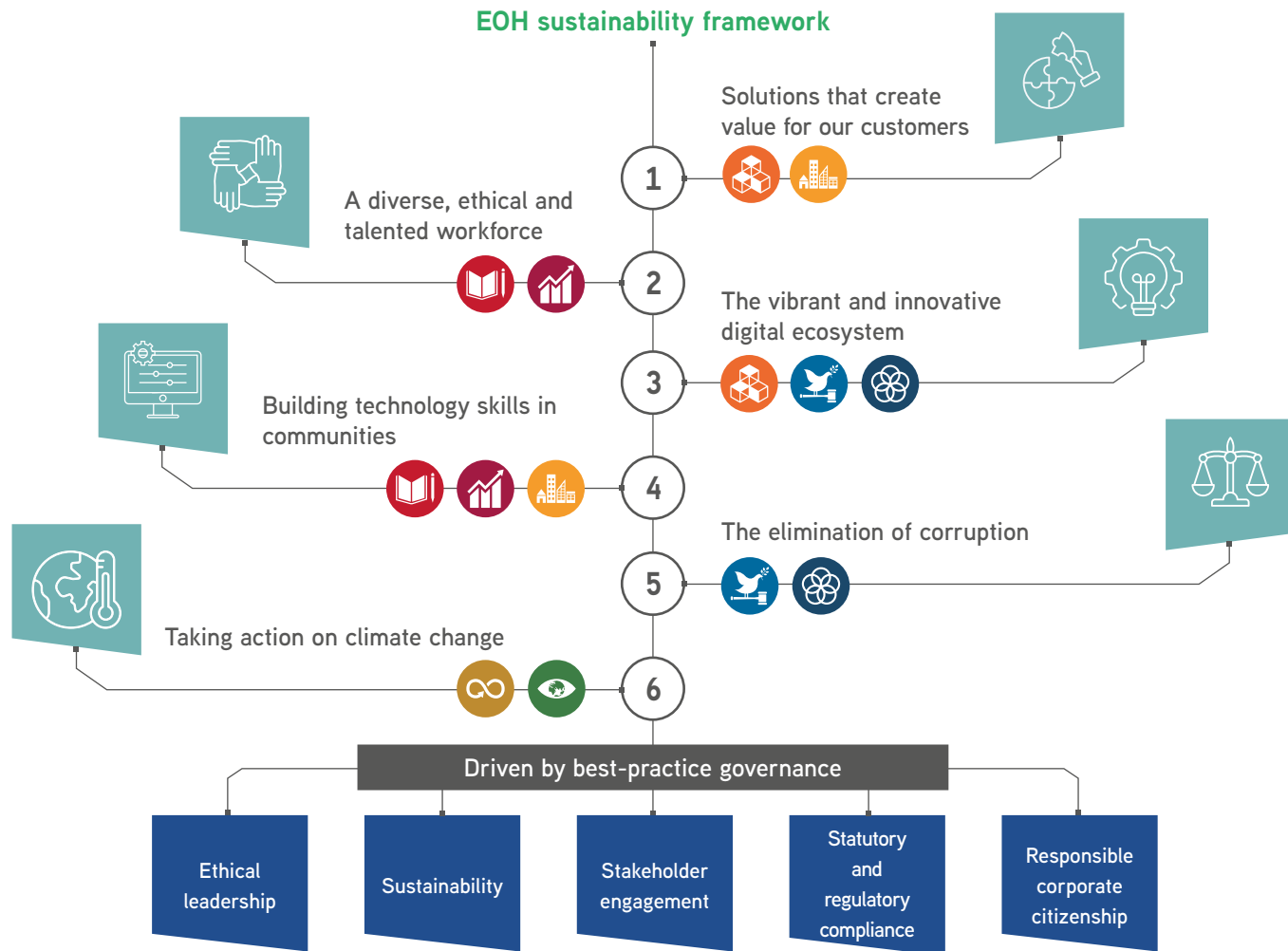
We are committed to **delivering** against the 2030 Agenda of the UN SDGs and operating in a principles-based way to **create sustainable value** for all of our stakeholders.

60 Sustainability as part of our business



Sustainability as part of our business

As one of South Africa’s leading technology players it is essential that EOH plays its role in ensuring that ethical, values-based and sustainable practices are entrenched in our industry and society. We are committed to delivering against the 2030 Agenda of the UN SDGs and operating in a principles-based way to create sustainable value for all of our stakeholders.



Our priority Sustainable Development Goals (“SDGs”)

- G** Solutions that create value for our customers
- Building Technology skills in communities



- E** A vibrant and innovative digital ecosystem
- Transformational governance
- Taking action on climate change



- T** A diverse and talented workforce



Measuring progress for our sustainability commitments in 2022

Leading and growing innovative and sustainable technology solutions for People, Planet and Prosperity

Our sustainability framework is integrated with our GET strategy to enable triple-bottom-line value for our customers. Our business sustainability relies on our ability to ensure financial and non-financial performance that delivers value for our customers, people, and planetary prosperity through our world-class technology services and support.



Sustainability as part of our business *continued*

1

Solutions that create value for our customers

Taking responsibility for getting the solution right first time, being a partner for life

Nurturing a more sustainable world through technologies that are relevant to our future

Excellence in project execution, continuously evolving a modern world of work

Our business sustainability relies on our ability to consolidate and deliver value for our customers

Stimulate economic growth by encouraging entrepreneurialism and creating shareholder value

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES



Target 9.4: Making infrastructure and industry more sustainable

NEXTEC

NEXTEC consults, designs, implements, monitors and services intelligent digital infrastructure solutions that create more efficient, healthier and more secure environments and enhance the economy and quality of life.

Our building management technology makes buildings more energy and water efficient.

Helping preserve South Africa's energy grid

In FY2022, NEXTEC's Energy Insight implemented a Demand Respond Aggregation System ("DRAS") that enables contracted large power users to reduce their peak electricity demand automatically to ensure the conservation of energy.

Energy Insight has implemented this solution at 14 different large power consumer sites around South Africa, and the system curtails 1 000 MW of electricity on a daily basis countrywide.

Energy Insight further assists customers in managing their energy and water usage, as well as with critical sustainability reporting through its own intellectual property ("own-IP") Automated Meter Reading ("AMR") platforms.

Supply, installation and maintenance of CCTV cameras

NEXTEC's Security and Building Technologies ("SBT") has installed CCTV systems within a large South African city's lighting depots, electrical depots and waste-water plants, preventing theft and waste and assisting with maintenance and monitoring.

iOCO

Smarter, more sustainable buildings

iOCO's GetSpace product provides insights into how buildings are really being utilised, which in turn lets businesses make decisions about keeping buildings open or cancelling leases, effectively utilising space and resources to save electricity and the burden on infrastructure.

Safer companies

EOH has built an occupational health and safety ("OHS") product that will easily enable businesses and industries to be OHS-compliant, from appointments to incident management, to standard-operating-procedure compliance across all industries.

iOCO Operational Technology

Through different business units, provides software and solutions to enable the efficient management and control of industrial assets, for the following industries:

Oil and gas

Electricity generation and transmission

Roads and infrastructure asset management

Food and beverage

Mining, minerals and metals

Through providing digitally advanced solutions, we enable clients and end-users to transform their businesses and manage their direct consumption, maintenance and operations of the infrastructure proactively, improving efficiencies and optimising the use of available resources.



Sustainability as part of our business *continued*

1 Solutions that create value for our customers

Economic contribution and product innovation



Target 9.5: Encouraging innovation

NEXTEC

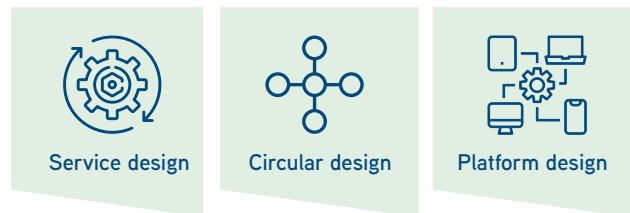
As technology is moving us towards a more autonomous world, harmony between systems and technology is the backbone of every industry.

NEXTEC integrates leading technology solutions from OEMs around the globe to improve businesses and strengthen mission-critical components, implementing world-class technology that upgrades less-efficient technologies. NEXTEC's expertise in infrastructure spans multiple domains, from electronic security and smart buildings to communication and connectivity, backup and clean power, rental and financing, electricity and network management.

iOCO

Our team of designers (ranging from service design, circular design, product and platform design) facilitate ideation sprints with our client stakeholders using human-centered design thinking. This process encourages our clients to observe habits and rituals and look at the true drivers of change so that we can find ways to redeploy patterns of behaviour leveraging technology.

Our ideation framework steers the design of products and services towards taking a wider view of solving the problem, not only for a client, but for an industry, or across industries. Our process focuses on conscious development of sustainable solutions, platforms, products and services for the industrial sector.



Ideating advanced solutions

We worked with a leading industrial logistics organisation to ideate an industry-wide platform that reduces manual effort, leverages technology, intellectual property, and provides more instant response to facilitate faster trade and transparency in Africa.

We are ideating with a leading financial services organisation to create a platform to enable South Africans to access services that will improve the sustainability of households across the country, and hopefully continent.

We are working with a leading telecommunications organisation to monetise an API marketplace so that core software functionality is re-usable, which prevents waste, enhances speed to market, and increases access to more businesses.

We are working with a leading telecommunications organisation to use digital technology to solve client queries, so that human call centre agents can spend more time resolving complicated client issues. This creates a more efficient workforce and greater job satisfaction and ultimately retention of staff.



We are actively working to educate our clients on the next wave of digital innovation including Central Bank Digital Currencies and non-fungible tokens, which can be used in digital contracts that stand to overhaul multiple industries.

Co-sourced legal advisory services

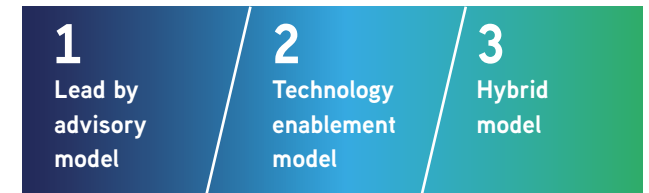
We have provided professional full-time in-house legal services to an eminent South African university since 2001. This comprises a dedicated on-site team supported by a back-office of experienced legal professionals in specific fields of the law.

The benefits of such a model are that the university has access to an extended legal services department and other legal expertise without having to employ them as employees on the organisational structure at a fixed-base cost.

The services include an internship programme offered at no cost to the university, as well as company-secretarial and transcription services.

Application development services

EOH deploys our third-party value-added managed-services model to support a leading industrial conglomerate, providing application development services for their SAP landscape, including SAP add-ons and third-party applications. Our expert SAP technical services division deploys and maintains all developments for the conglomerate, using the following models for delivery to drive business value:



This project aligns with international best practice to outsource critical workloads that are part of the core business to experts that can provide best-in-class services that would cost companies too much to in-source, build and maintain on their own.

iOCO Operational Technology

Through the provision of leading software and infrastructure management solutions, we provide the customer with improved and enhanced technological capabilities to identify optimisation areas of their infrastructure and business processes.



Sustainability as part of our business *continued*

1 Solutions that create value for our customers

Responsible cities



Target 11.6: Building more sustainable cities

NEXTEC

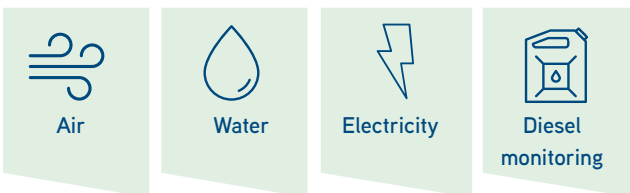
Energy Insight assists customers who consume large amounts of electricity to manage and reduce energy consumption through Automated Meter-Reading Solutions.

Our technologies allow companies to be less wasteful.

Cleaner, healthier air

Energy Insight assisted a leading South African financial institution to implement a system of air quality monitoring throughout their various buildings and branches. The system will ultimately place the institution in a position to measure, assess, manage and improve the air quality within their buildings into the future.

This new system is in addition to the water, electricity and diesel monitoring performed across the institution's facilities using Energy Insight's Enterprise AMR system.



Environmental and social compliance audits and due-diligence assessments

Through CES, one of our environmental and social due diligence ("ESDD") companies, we offer world-class environmental and social ("E&S") advisory services, including compliance auditing for a range of sectors and industries.

ESDD studies identify potential environmental and social risks associated with a particular asset, service or product.

Clients are typically financial institutions seeking independent assessment of project-related E&S risks prior to investing, or for post-investment verification of compliance of projects with E&S-related loan covenants.

However, assessments of this sort can also add significant value to organisations looking to understand their own E&S risks more clearly. This allows them to manage risks more effectively, or operate their facilities in accordance with international best practice to enhance business opportunities. The latter is becoming increasingly important as consumers become more aware of the E&S impacts associated with product supply chains, and the need for organisations to minimise reputational risk.

The environmental and social advisory services CES offers includes environmental and social due diligence and compliance auditing.

In addition to assessing E&S risks we have also assisted clients to develop formalised management systems to proactively manage E&S risks at operational facilities. The precise scope of work and approach to a particular ESDD assessment are frequently customised to meet the needs of the client.

Based on our experience, the most common application of this type of work is to assess the extent to which projects (and their EIAs) comply with specific environmental, social and governance safeguards to which potential lending agencies subscribe. These commonly include:

- The Equator Principles

- The International Finance Corporation's ("IFC") Performance Standards ("PS") on Environmental and Social Sustainability and associated sector-specific EHS guidelines
- Development financial industry Bank's Integrated Safeguards System update to industry



Selected ESDD and compliance auditing appointments

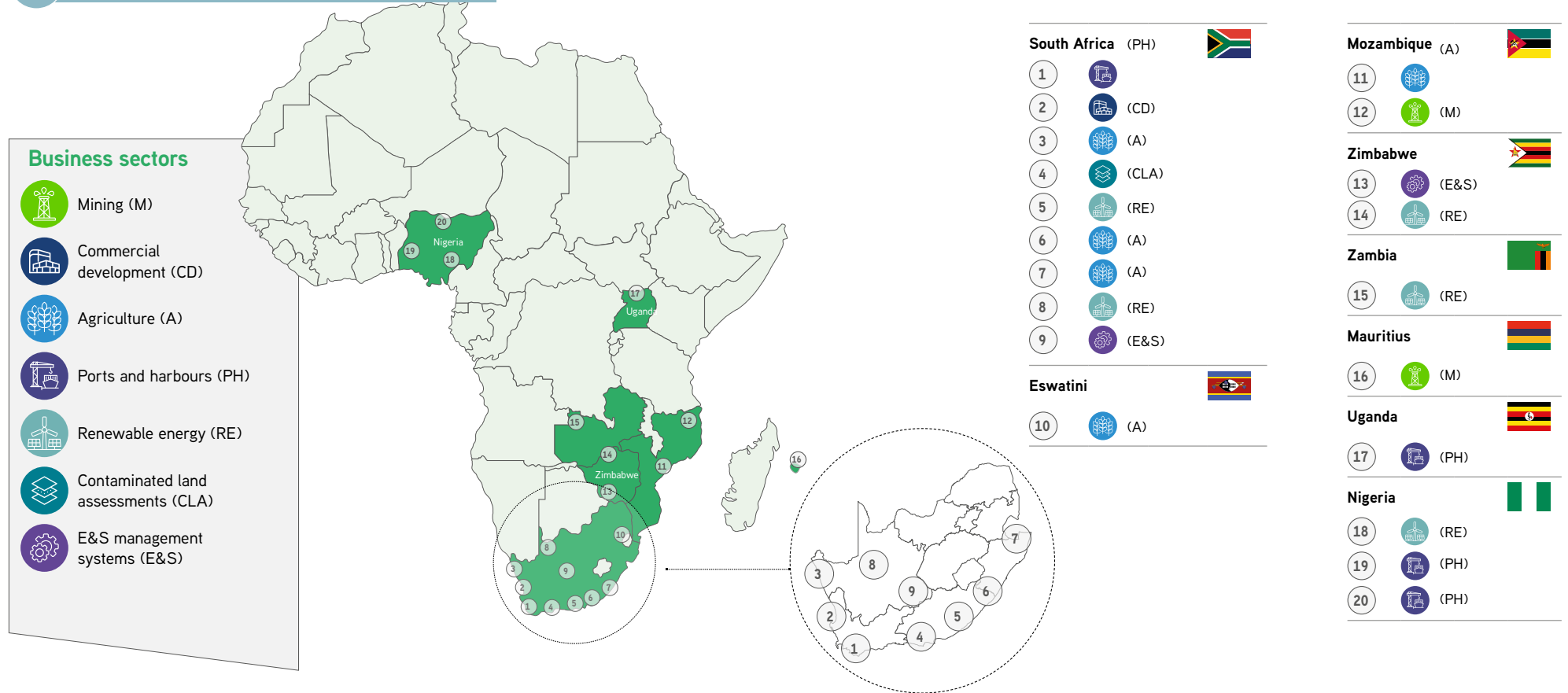
Due to the nature of the ESDD assessments, most of the studies are confidential. However, our experience of this type of work includes:

- Long-term E&S compliance monitoring for a consortium of international financial institutions for a period of five years to monitor organisational compliance with the conditions of a corporate loan. This assignment covers energy assets in Zambia and Nigeria, including hydropower dams and an extensive electricity network.
- Independent Environmental and Social Monitoring ("IESM") for the rehabilitation of the existing railway network in Kenya and Uganda, for a consortium of international investors and lenders.
- Full ESDD assessments for Mozambican and Mauritian mines, hotel developments in a historically sensitive area of a large South African city, agricultural and forestry companies, ports and harbours, industrial and renewable-energy projects across Africa.
- Contaminated land assessments involving desktop historical investigations, visual site inspections and soil/water sampling for a number of sites in South Africa.
- Establishing E&S management systems for a multi-national banking group operating across southern Africa and a telecoms company in Zimbabwe.



Sustainability as part of our business *continued*

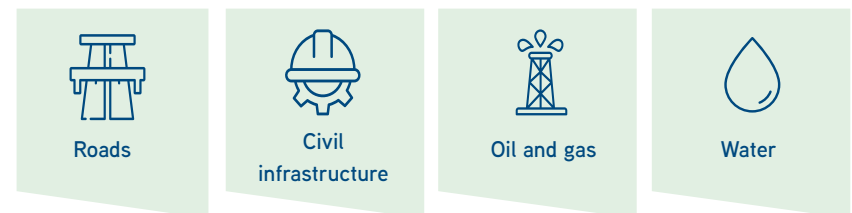
1 Solutions that create value for our customers



iOCO Operational Technology

Our I-RAMS and RRAMS asset-management solutions enable municipalities to quantify and qualify their roads and civil infrastructure assets, plan and budget more efficiently for maintenance, and enhance their cities' environments.

Through the provision of solutions for process automation and solution management, our clients in the oil, gas and water industries are better able to manage their infrastructure, monitoring performance, preventative and reactive maintenance, thereby improving the economic value derived from their assets.





Sustainability as part of our business *continued*



2 A diverse, ethical and talented workforce



To be a responsible employer, nurturing talent and the best people



Wellbeing, collaboration and equality in the workplace, with zero tolerance for discrimination



To hire the best people, nurturing talent and opportunity for people from diverse backgrounds



Development, training (RiseUp Academy) and financial assistance for employees wanting to study further



Rewarding people appropriately for high performance and ethical leadership in the workplace



Creating a culture that is built on diversity and inclusion

Employee Value Proposition (“EVP”)

Our EVP is based on the following principles:

Enable

Reinforce and maintain EOH purpose

- High performance culture
- Active employee engagement
- Attractive remuneration and reward strategy

Grow

Embedding and living the EOH values

- Reskilling and upskilling agility
- Flexible career management. Vertically and horizontally
- Robust talent management



Include

Driving diversity

- An inclusive work culture
- Celebrating differences
- Robust talent management

Care

Appointing employee experience manager

- Integrated wellness strategy




Sustainability as part of our business *continued*

2 A diverse, ethical and talented workforce


Our people



AIC as a **64%** of total workforce
 Gender as a **51% male** and **49% female** of total workforce



AIC **44%** of Board
 Gender **65% male** and **35% female** of Board



Age profile
 Gen Z: **6%**
 Millennials: **56%**
 Gen X: **32%**
 Boomers: **6%**

Transformation

Group broad-based black economic empowerment

In 2022 EOH maintained its level 1 contributor status. This was measured in accordance with the requirements of the 2016 Amended Information and Communication Technology (“ICT”) Sector Code.

We aim to maintain a level 1 B-BBEE contributor status in 2023.

B-BBEE scorecard

The continued impact of the great resignation is evident in the progress of improving the management control scorecard. However, the percentage of AIC women in management is 32%.

We have aligned our learning and development programmes to address critical IT skills shortages, prioritising opportunities for people with disabilities, the youth, and women. A total of R32.7 million was spent on both employed and unemployed people in FY2022.

The Group invested R15.2 million towards the learning and development of black women and just over R9.4 million on the development of people with disabilities.

New way of work

Ways of work streams

Objective: To build and maintain a new way of work that is attractive to people at EOH and prospective talent.

Communication and engagement

- Platforms
- Development and support
- Collaboration and partnerships
- Performance

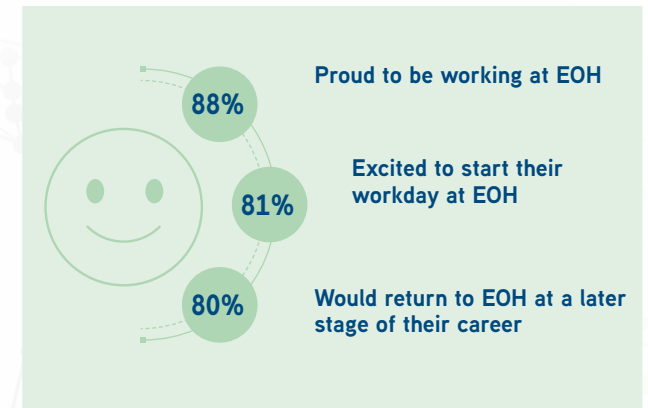
Facilities

- Consolidation
- HUB upgrades

Driving diversity, equity and inclusion

We believe that an inclusive world is an enabled world. We continue to drive an inclusive employee culture that fosters tolerance and embraces diversity.

Employee survey stats



People and culture

- Enable
- Grow
- Include
- Care

Technology and tools

- Safe, secure and leading user experience
- Cost relevance
- Commercialisation



Sustainability as part of our business *continued*



2 A diverse, ethical and talented workforce

Attracting and retaining talent

Attracting and retaining top talent is a rapidly evolving pursuit within almost every industry, but especially in the technology sector. Employees are not only looking for flexibility in terms of where and how they work but also a closer alignment between their jobs and their purpose. Our goal at EOH is to create an environment that attracts and retains top talent to maximise their time spent with us in their career journey.

The focus for FY2023 will centre on a new employee engagement platform to drive deeper connection; technology and tooling enhancements to improve the day-to-day working experience as well as continual reinforcement of our purpose, values and diversity for our people to identify with.

People development

EOH deliberately and actively enhanced the people growth reskilling and upskilling programmes to support our employees on the new way of work journey, with hybrid working as a reality.

EOH encourages our employees to grow the collective mindset to solve together and supports the people to develop their talents and abilities. This will be executed by creating new initiatives with foresight. We embraced simplicity in the way we encouraged the move towards remote and hybrid working through easy-to-use, meaningful, and measurable digital tools such as investing in an internal customised Cerebro tool – an online data repository and training environment.

The objective of people development is four-fold:



The EOH Learning Hub

Our development strategy and programmes are delivered through the EOH Learning Hub. In return, EOH expects our employees to take ownership to direct their own lives and work, have the desire to constantly improve skills through learning and practice, and have a sense of purpose in their work and something larger. This creates an ecosystem of autonomy, mastery, and purpose and will aim to drive a growth mindset impacting the head, heart, and hands.

Intent

In FY2022 EOH invested R13.1 million to upskill and reskill our employees. A total of 499 employees attended certified skills programmes from various business schools and accredited providers. Altogether, 80% of the people trained were black and 49% female.

It is remarkable to note that all training was delivered virtually to accommodate remote working conditions and align with our new digitisation strategy. Topics such as Leadership, projects management emotional intelligence, business management and finance, business communications, systems analytics, coaching and mentoring, customer centricity and risk governance attracted the most interest from our people.

Diversity and inclusion, with a specific focus on women, led to 33 of our senior and professional management-level women attending the University of Cape Town Business School Developing Women in Leadership certificate programme.

In all, 55 of our employees completed learnership programmes from ICT Testing, Project Management to OD-ETDP. Overall, 49 of the employees who completed the qualifications were black and 65% were females.

Building on the new learning-from-anywhere, EOH Digital RiseUp Academy, which was launched in the previous financial year, further investment was made to enhance the employee learning experience. The RiseUp Academy now also features what we call PowerHours – daily webinars to bring our employees up-to-date with the latest global trends and knowledge, presented by subject-matter experts.

Further investment was made in 45 e-learning LMS-backed programmes that include the full Microsoft Office package from entry to advanced level and other personal and management-development programmes. A focus on leadership, coaching, talent management and other management learning is included in the new programme lineup.



Sustainability as part of our business *continued*

2 A diverse, ethical and talented workforce

UNGC Accelerator Programmes

Some of EOH's brightest talent attended United Nations Global Compact ("UNGC") accelerator programmes in 2022. Through these accelerators EOH participants have gained access to global best practices, peer-to-peer learning opportunities, capacity-building sessions, target-tracking toolkits and on-demand training for the continued growth and action of the 2030 SDG agenda.

 <p>YOUNG SDG INNOVATORS</p>  <p>Young SDG Innovators A nine-month programme geared towards upskilling young EOH professionals to identify relevant SDG business challenges and design innovative solutions to address them.</p>	 <p>CLIMATE AMBITION ACCELERATOR</p>  <p>Climate Ambition Accelerator A six-month accelerator programme to address EOH's transition to net-zero and towards setting science-based emissions targets aligned with the 1.5°C pathway.</p>	 <p>TARGET GENDER EQUALITY</p>  <p>Target Gender Equality This supports EOH in setting concrete targets and taking action to advance women's leadership.</p>
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Target Gender Equality

This supports EOH in setting concrete targets and taking action to advance women's leadership.

UN WEP Principals in Action

In FY2022 EOH was recognised as a finalist in Business Engage's Gender Mainstreaming Awards programme, which celebrate diversity in the workplace and provide education about best practices in gender mainstreaming. EOH won the Women on Boards Category at the 2022 Gender Mainstreaming Awards.



Youth Solvers

In recognising generational diversity, we are developing the next generation of EOH leadership through our Youth Solvers programme established in 2020. This is an employee resource group with the purpose to SOLVE and keep EOH relevant and socially impactful.

In FY2022, eight youth leaders, who we identified as the Youth Guides, were each allocated to be mentored by an ExCo or senior leadership team member. The Youth Solvers also hosted and co-hosted roundtable continued dialogue sessions covering topics such as generational diversity to commemorate Youth Month and women empowerment and leadership in the workplace for Women's Month.

The Youth Solvers were also given a percentage of the socio-economic development budget to implement an impact project with an identified beneficiary of their choice. Their project of choice was partnering with the Good Work Foundation ("GWF"), an organisation focused on taking education and IT competencies relevant in our industry to rural communities. GWF provides a bridging academy to assist students with the transition from high school to the real world, and an IT academy for students who want to pursue a career in tech.

The Youth Solvers put out a call to action to all EOH employees to volunteer their time to remotely mentor or host a masterclass for a GWF student. In addition, EOH will also be supporting two GWF students through the provision of bursaries and support with career pathing. The Youth Solvers have also played key roles in driving our generational diversity and sustainability strategies.

Courageous leadership

EOH actively drives a courageous leadership narrative throughout the organisation. In FY2022 we assessed our executive leadership team through Evalex and ESCI assessments and Enneagram coaching. We used these insights about our leadership team to develop our courageous leadership programme.

We adopted two power leadership concepts that tie into the courageous leadership theme – adaptive leadership and maverick leadership – which integrate into the EOH behavioural competencies and our values. We chose a globally recognised



Sustainability as part of our business *continued*

2 A diverse, ethical and talented workforce

partner to help us develop the content for three webinars and a panel discussion around these two topics, and at the same time started rolling out Enneagram coaching programmes for over 50 more leaders in the organisation. Digital leadership engagement tools included online focus groups, leadership webinars, the RiseUp Academy, and a leadership digital toolkit with relevant online world-class reading and training courses.

The next phase will include a self-leadership and digital coaching programme customised for EOH that all managers and employees will be able to access. Other strategic leadership interventions planned include coaching and mentoring, negotiating skills, developing women in leadership, self-leadership, leadership fundamentals, emerging and advanced leadership programmes, an MBL and a post-grad in business leadership. Our EOH Top 300 will also undergo online executive coaching and personal development at various business schools.

Courageous Leadership Programme impact



499

employees trained



33

female EOH employees currently completing a Developing Women Leadership programme

Women Leadership retreat

In FY2022 we introduced a nature-immersive Women Leadership retreat in the Kruger National park, where EOH's next generation of women leaders braved the wilderness for a "Spirited Adventures" teambuilding experience.

The EOH team unpacked thought-provoking topics on why self-worth is more important than self-confidence, what authenticity looks like at work, how to effectively channel courage, managing imposter syndrome, shifting from functional to multi-tiered leadership, dealing with toxic politics, humanising leadership, dealing with stress and anxiety and how to implement a self-care regime, among other topics.

Round tables

The objectives of our EOH Round Tables are to build a culture that has its foundation in psychological safety, where we can have meaningful and challenging discussions in a respectful and dignified manner.





Sustainability as part of our business *continued*

3
A vibrant and innovative digital ecosystem

Evolving technology solutions that make a valuable contribution to society

Building solid and ethical business relationships with vendors, nurturing ICT sector growth

Investing in emerging technology enterprises to drive industry inclusion and transformation



Target 17.8: Enhancing the use of enabling technology within industries

Economic contribution and product innovation

iOCO

Journey to the cloud
to reduce need for local physical infrastructure

VOIP technology
to consolidate networking infrastructure

Managed print
to reduce the need for printing

Business intelligence services

We provided a business-intelligence reporting, data-modelling, data-mart, “PowerBI”, SSAS Admin and support, service desk and DQ support solution, including a six-month project implementation squad, to a prominent South African telco. The solution is scalable to enable the customer’s rollout and deployment plans, has a flexible commercial model, is delivered via an agile methodology and ensures efficiency and cost reduction over time.

Provision of integrated ICT infrastructure services

We provided a scalable business-continuity solution to a leading non-profit electronic media education organisation. The solution comprises a secure, stable and scalable ICT infrastructure service incorporating a seamless switchover and integration process.

ERP system (JD Edwards and Oracle technology platforms)

We provided a JD Edwards and Oracle Technology platform transformation outsourcing strategy to a state-owned forestry company. The platform is guided by an ITIL-based service methodology and Oracle best practices, focused on exceeding business and IT expectations and delivered by a team of service-delivery experts with more than 50 years’ combined JD Edwards and Oracle Technology experience.

iOCO Operational Technology

Through collaborating and partnering with customers and system integrators we enable a larger ecosystem of competence which builds capacity as well as enhanced capabilities to implement our solutions for our industrial customers. This ecosystem of partners contributes to the economic growth of the country through creating opportunities and developing SME companies in the technology space.



Sustainability as part of our business *continued*

3 A vibrant and innovative digital ecosystem

Community development and economic contribution



Target 17.17: Encouraging effective partnerships, building on experience and resourcing strategies

iOCO

Provision of support services to provincial government

We provided a suite of services aimed at ensuring organisational transformation and change management for the government of one of South Africa's provinces. The provision included effective programme management of multiple initiatives, project administration and documentation, central call centre management for application queries and support, and efficient use of scrum methodologies and development team delivery.



Pro bono school IT support

EOH provided services to a prominent girls' leadership academy free of charge to assist with their strategy for their IT infrastructure and advise on the role of technology manager.

iOCO Operational Technology

iOCO Operational Technology ran a partner development programme for System Integrators (ecosystem of 70+ partners across South Africa and sub-Saharan Africa), including job-creation and training objectives in partnership with SOEs.

Supply and delivery of devices

EOH provided advisory services to a large parastatal requiring thermal cameras, barcode scanners and tablet devices.

CIO South Africa

EOH has thrown its weight behind the CIO South Africa community as an executive partner.



CIO South Africa connects IT executives and professionals, boosting their knowledge, networks and careers through down-to-earth engagement and world-class events.

Our proud accolades in FY2022

iOCO was named Fortinet's **Growth Partner of the Year for 2021** as a result of the immense growth they achieved.

iOCO's **Cloud and Security Team** were named **WithSecure's Growth Partner of the Year** as a result of the immense growth they achieved.

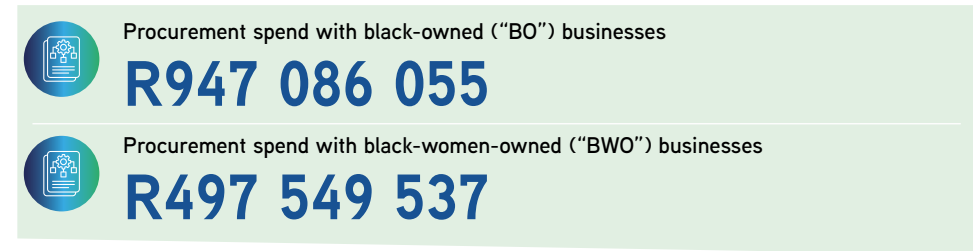
ASSET Technology Group, one of our sister companies headquartered in Egypt, was awarded the **OpenText Outstanding Partner Award of the Year** for the Middle East.

NEXTEC, in collaboration with iOCO, was presented with **Huawei's IT Partner of the Year** award for 2022.

NEXTEC was awarded the **2022 Authorised Gold Value Added Solution Partner Award** by Hikvision with a special mention going out to Jeff Greeff who received the **Leading Sales Resource 2022** accolade from Gallagher Africa.

Energy Insight received an accolade for **Technical Innovation** at Schneider Electric's annual Digital Power Master EcoExperts global event. The judges were blown away by the Energy Insight team's Demand Response Aggregation System ("DRAS") project.

Procurement



Enterprise and supplier development

In supporting black-empowered suppliers and encouraging entrepreneurship within previously disadvantaged communities, we implemented various enterprise and supplier-development initiatives and partnered with black-owned small, micro and medium enterprises ("SMMES").

	2022	2021
Supplier development	3 650 000	1 566 667
Enterprise development	2 304 936	1 956 000



Sustainability as part of our business *continued*

4

Building technology skills in communities

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

11 SUSTAINABLE CITIES AND COMMUNITIES

Bursaries, learnerships and skills programmes for ICT students

Uplifting young people with ICT skills training through EOH's support of Belgium Campus

Strategically partnering with the Maths Centre to enable the delivery of mathematics, physical science, and technology in the context of the Fourth Industrial Revolution ("4IR") to socio-economically deficient schools

Socio-economic development

Education and skills development enable upward social economic mobility and are key to escaping poverty. They are key to driving growth and enabling effective participation in the economy and society. Our strategy is to ensure our people and our society are enabled, through transformative skills development opportunities, to create a sustainable future and promote the development of skills as per the National Development Plan 2030.

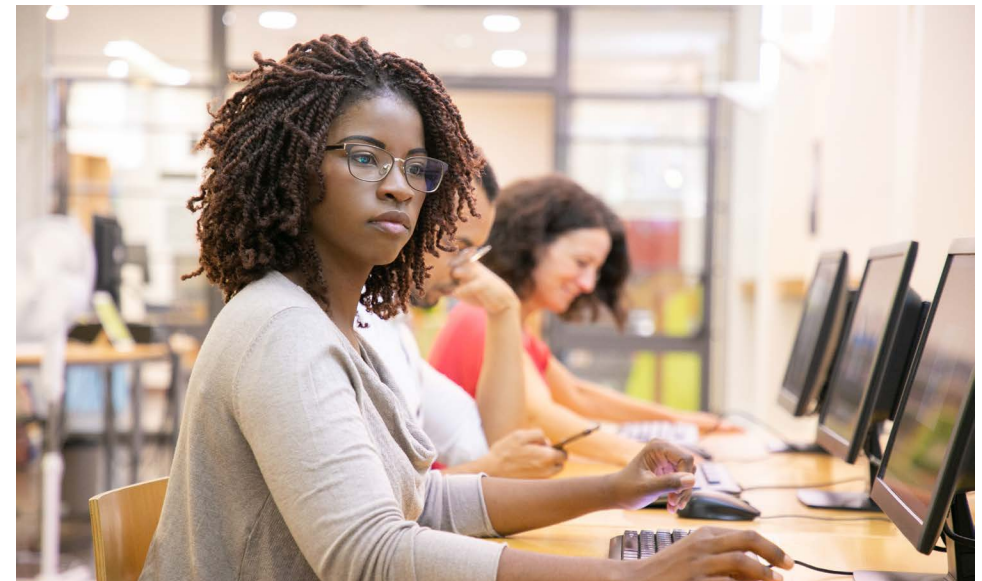
Objectives

- Promote economic inclusion by developing industry skills and acceleration of 4IR skills
- Develop critical skills as per the critical skills list for South Africa
- Promote skills that will bolster our sustainability themes
- Enable the closing of the digital divide and supporting the National Development Plan
- Projects – key focus on non-monitory contribution volunteerism
- Awareness and education on gender-based violence ("GBV")

Our SED initiatives prioritise skills development programmes for previously disadvantaged groups, especially women and youth, with the aim of inclusion into the business.

Our investments in communities

SED – Total learners impacted

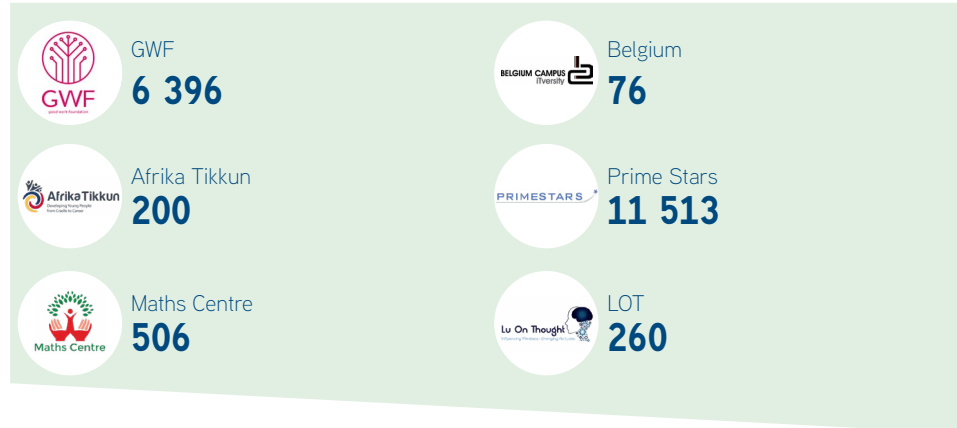




Sustainability as part of our business *continued*

4 Building technology skills in communities

Total learners impacted: **18 875**



SED Bursary

Total bursaries award to beneficiaries from SED partners:



Target 4.3: Ensuring access to quality education

Bursaries, learnership, and skills programmes for ICT students

EOH believes that investing in initiatives that improve mathematics, science, and technology skills can improve youth employability and unlock opportunities for fulfilling careers in operational technology where there is a critical skills shortage.

With COVID-19 accelerating the trend towards a more digital world, these skills are more important than ever to equip youth for inclusion into the productive economy and to futureproof a thriving and prosperous

South Africa. Helping students, teachers, and parents to get an ICT foundation and skill set contributes to a future generation that is more employable and builds opportunities in disadvantaged communities.

Job-skills training and guidance are critical to preparing youth to enter the workforce, and enterprise-development initiatives promote entrepreneurial opportunities that can help break the cycle of poverty and create jobs.

In FY2022 the Group invested R17.2 million towards the learning and development of black women and just over R15 million towards the development of people with disabilities.

Belgium Campus

South Africa has a staggering youth unemployment rate and a poor economic outlook. And yet there is a tremendous talent, intelligence, and innovation in this country, as well as an urgent demand for IT skills.

EOH supports both abled and differently-abled learners through Belgium Campus, an ITiversity that trains young people to work in the ICT industry and equips them with the necessary soft skills, attitudes, and behaviours to make them work-ready.

In FY2022, EOH supported 76 students financially to study either Bachelor of Computing or a Diploma in IT, for a total investment of R2.7 million.

Just under half of the total number of students receiving financial aid towards bursaries were females.

The university enriches its academics by assigning students to real-life work projects that test their understanding of business processes and systems, their grasp of customer-centric product development, and their ability to work in multidisciplinary teams.

Belgium Campus is one of the few universities globally that actively supports students with hearing disabilities to study their ICT degrees and diplomas in sign language, which sets them apart from other universities as a truly inclusive, forward-looking university. Consistent attention is also paid to specialised technologies and classes designed to accommodate students with disabilities, and EOH's support has helped the campus progress in the skills development and employability of young people with disabilities.

EOH employees give guest lectures each year to share their expertise about certain business technologies and frameworks in action.

EOH ICT employee child bursary scheme

To strengthen the new EOH Employee Value Proposition, with a core focus on the retention and value creation for our employees, an employee child bursary scheme for employees' children was rolled out at the beginning of 2022. The focus remains on technology skills, to remain aligned with the overall transformation strategy. To ensure transparency and equal opportunity, EOH uses the services of an external bursary and scholarship service provider. Eight bursaries were approved in FY2022, and another five bursaries will be allocated for the academic year 2023, bringing the total to 13 bursaries awarded to EOH employees' children in 2023.



Sustainability as part of our business *continued*

4 Building technology skills in communities



Target 4.4: Building youth and adult skills for employment and entrepreneurship

iOCO Digital – New ICT Testing Academy for unemployed youth

To further deepen the strategy to grow and invest in 4IR skills, a 12-month Applied Programme in Software Testing was introduced to our employees in FY2021 and completed in FY2022. Due to the success of the programme, it was repeated for EOH employees. The success also led to an understanding of the value of this specific ICT skill would be for unemployed graduates. iOCO Digital, together with Faculty Training Institute, is now delivering this programme to 15 ICT graduates.

The programme is based on the MICT Level 6 Testing learnership, but a stringent additional testing system and software training programme, and exposure to the workplace environment in EOH as well as with participating clients, make this programme a very unique offering to the youth.

YES4Youth

We participated in the YES4Youth programme, affording a cohort of 133 youth work-experience opportunities that address youth unemployment challenges, and recording an absorption rate of 30%.



Target 4.6: Supporting literacy and numeracy

Maths Centre

- In FY2022, EOH invested **R2 279 320** through Maths Centre
- Reached **506 learners** and **75 teachers**
- Supported **seven** schools
- Contributed to **12 Matric distinctions** in Physical Science
- Contributed to **11 Matric distinctions** in Mathematics

Our commitment to literacy has ensured that through the Maths Centre we have contributed R2 279 320 in seven schools, most of them in Katlehong. In three of these schools EOH also offers support, resources and specialised development for teachers of children with disabilities.

In FY2022, 53% of cohort learners obtained 50% and above in Physical Science, with 12 distinctions, while 60% obtained 50% and above in Mathematics, with 11 distinctions.

Good Work Foundation



Total investment

R1.25 million

Good Work Foundation works on an open learning model that provides access of education to rural and underdeveloped communities in Hazyview. Their prime focus is on Maths Literacy, English Literacy, Digital Literacy and life skills, which are essential skills needed to develop our country and solve critical social and economic issues. EOH invested R1.5 million into the efforts of the Good Work Foundation in FY2022.

LOT



The University of Pretoria and Progress in International Reading Literacy Study has revealed that 78% of Grade 4 children cannot read for meaning and understanding. Our SED partner Lu On Thought aims to be a complementary partner to the Department of Education and other relevant stakeholders to bridge the gap between literacy and technology by implementing a digitised reading intervention programme at an underdeveloped school in Randpark Ridge, serving the surrounding communities of Zandspruit, Diepsloot and Honeydew.



Objectives

- Bridging the gap between literacy and technology
- Entrenching the culture of reading through technological instructions
- Creating access to good quality educational programmes
- Improving literacy statistics
- Align individuals to 21st century skills competencies



Benefits

- Improved instructional methods
- Increase productivity
- Upskilling through e-learning methods
- Enhancing educational outcomes



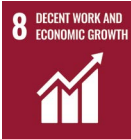
Sustainability as part of our business *continued*

4 Building technology skills in communities



Impact

- Beneficiaries: 60 learners (all black learners)
- Mind Gym reading programme: 200
- Target: Grades 4 to 6
- Teachers: 9
- Facilitators: 4
- Trained: 8 teachers, 4 facilitators



Target 8.3: Supporting jobs, entrepreneurs, innovation and the growth of SMMEs

Economic strengthening livelihood programme 2021/2022

Through a collaboration between NEXTEC People Solutions (MBAT), BeyonZero, NACOSA and MIET, a solution to provide socio-economic development support and opportunities enabling young women to become economically active was rolled out.

The solution comprised capacitation through skills development training covering the subject areas of work readiness, financial skills and computer literacy.

Capacitate through skills development

Skills development training covering the subject areas of work readiness, financial skills and computer literacy.

Provide workplace opportunities

NEETs (Not in Employment, not in Education and not in training), streamed into various different livelihood options, based on interests and previous work experience.

205 placed with host sites
14 permanently employed

5 internships realised

148 further practical educational opportunities

34 entrepreneurs supported through mentoring and small grants (R10K)



325 delegates provided with food and clothing vouchers



322 delegates provided with transport to work



188 delegates provided with transport to interviews



134 delegates who saved, were given matching savings



72 delegates provided with early childhood development vouchers

445 delegates trained

ITThink Coding

ITThink is a software development and ICT advisory business based in Johannesburg. The company develops and implements customised smart solutions for public and private sector applications. A big challenge for small businesses in the IT sector is finding and recruiting the right skills.

EOH supports ITThink's business growth through ongoing strategic skills and enterprise development support.

In 2020, EOH partnered with ITThink to support its IT skills development training programme. EOH is serious about actualising South Africa's socio-economic transformation by supporting small businesses in ways that go beyond the stock-standard corporate compliance with B-BBEE legislation. Its partnership with ITThink presented a perfect opportunity to effect real change through skills and enterprise development.

Thanks to EOH's financial support, ITThink is now able to run its academy, which has a direct and demonstrable impact on its core business growth and sustainability. Graduates from the academy already make up 30% of ITThink's current payroll.

EOH gives ITThink more than money; it also considers the students' unique needs, especially in the current context. When the COVID-19 pandemic hit, EOH provided ITThink with a training facility at its head office that is fully equipped for trainers' and students' needs, and provided meals for participants.



Target 8.5: Achieving decent, inclusive and equitable work for young people and persons with disabilities

Aerial Works

In FY2022, EOH launched the first disability drone pilot project in partnership with Aerial Works, with five candidates joining the pilot programme. This groundbreaking programme will allow for future disability programmes in the drone industry, which will enhance skills and provide employment opportunities for people with disabilities.



eDeaf

In South Africa, there are only 10 schools that offer a matric qualification to deaf learners, with approximately 20 learners matriculating annually. To increase the confidence and employability of deaf people, EOH partnered with eDeaf to upskill deaf people and increase their employability.





Sustainability as part of our business *continued*



4 Building technology skills in communities

eDeaf caters to learners from Grade 9 to matric, performs all the necessary assessments to determine which programme would suit them best, and places them in learnerships. This can be anything from an English reading and writing communication course to end-user computer learnerships. The goal is to build them up to an NQF Level 4 – the equivalent of matric – resulting in fully employable deaf individuals.

In FY2022, EOH and eDeaf helped 81 learners to receive qualifications in adult basic education, technical support, systems support, and end-user computing learnerships, for a total investment of just over R3.6 million.

To date, EOH has assisted 22 learners with qualifications in Technical Support Level 4, 7 with qualifications in Systems Development Level 5, 15 with qualifications in End-User Computing Level 3, and 37 with qualifications in Adult Education and Training.

EOH has been working with eDeaf since 2018 and took on numerous entry-level learners for adult-level training. They joined in from aided Level 1 through to aided Level 3, with some going as far as an NQF4 and NQF5 qualification. Learners have been supported by EOH stipends that covered their training and allowances, offering them an opportunity that they would otherwise never have had.

In the previous financial year EOH drove the establishment of the system support NQF5 learnership, which is the entry level to system development. The standard programme is 12 months, but with the assistance of EOH, eDeaf has added six months to the learnership, covering purely theory and concepts. As sign language is a simplified language, this theory can be complicated. eDeaf has also employed past EOH learners at its Braamfontein campus to assist new learners in these additional months. The EOH learners completed a three-year system support and development programme, making them the ideal facilitators.

When these learners have computer skills and an NQF4 equivalent, they can fill roles in anything from logistics to packing and data capturing. Furthermore, they can use a computer to create their CV, take advantage of opportunities, and engage with prospective employers.

Learnerships

EOH identified, upskilled, and placed 475 unemployed learners in host companies where they received training, SETA-accredited qualifications, and practical experience to enter the work environment. Of the 475 learners, 213 were disabled learners and 91% were youth under the age of 29. Of the 262 abled learners, 89% were youth. The combined investment amounted to R6.1 million. Many of these learners were placed in hospitals around the country to assist the Department of Health with data capturing related to the COVID-19 pandemic.

Siyanqoba and ProServ, that delivered the programme, also form part of the learning and development pillar of EOH. As end-to-end training providers, they manage the entire process of placing learners into host companies where they receive the training, qualifications, and practical experience needed to enter the work environment. Learnerships are typically 12-month contracts culminating in a SETA qualification, and include a stipend to cover expenses such as transport and meals.

Without this opportunity from EOH, many would not have been able to afford the continuous development from an NQF Level 2 to a Level 3 or 4 qualification. Many of the learners do not hold a matric, and if they work through this channel and move up to an NQF4 – the equivalent of matric – it opens new opportunities for them.



Target 8.6: Supporting the education and employment of young people

WeThinkCode



South Africa has a severe shortage of technical skills, and staggering levels of youth unemployment. In partnership with tech training academy WeThinkCode, EOH is working to address the digital skills shortage, reduce unemployment, and increase diversity in the software community.

A bespoke selection process is used to identify applicants with strong analytical, logic and problem-solving skills. This ensures that students with no prior coding experience have a fair chance of being selected. The programme kicked off in July and 50 unemployed youth were recruited to join this programme in Gauteng, KwaZulu-Natal and Western Cape.

This programme is aligned with the transformation strategy of EOH and is an inclusive, triple-effect programme, including aspects of socio-economic, skills and enterprise development.



Sustainability as part of our business *continued*

4 Building technology skills in communities

Volunteerism

Hours invested in community initiatives by EOH employees

2021:
122
hours

2022:
255
hours

One Young World

EOH is a proud supporter of One Young World (“OYW”), a global network of professionals under 35 seeking to take action for the SDGs in workplaces, governments, NGOs and civil society.

In December 2021, EOH hosted the OYW Future Economies Caucus at our Waterfall Offices in Midrand for 50 OYW ambassadors.



The panel discussion and keynotes for the Future Economies and SDG 8 – Decent Work and Economic Growth were livestreamed across the OYW Global Social Media platforms and EOH. The aim of the caucus was to connect, engage and inspire the One Young World Ambassador Community, partners and mobilise people towards impactful change, driving the conversation around being a powerful force for social good through SDG 8.

Following on from the panel Q&A section, the final section of the caucus involved an impactful action hour led by the Rise Against Hunger team, and 10 000 meals were packed for food-insecure communities by guests at the EOH Waterfall offices.

EOH continues to be a proud sponsor of One Young World and will be sending three talented young delegates to the summit in Manchester in FY2023.

Nelson Mandela Day 2022

EOH, in partnership with Rise Against Hunger, sent teams of 15 EOH volunteers in the Gauteng, Western Cape and KwaZulu-Natal regions to pack meals for 67 minutes. Each team packed 3 240 meals (15 boxes) in their time slot, which will provide five meals a week for 15 children for an entire year.

Afrika Tikkun

EOH internal staff volunteers are actively involved and serve in our SED programmes. In FY2022, EOH volunteers assisted youth served by development experts Afrika Tikkun with professional tools to approach the corporate world through CV-writing and LinkedIn-profile masterclasses.





Sustainability as part of our business *continued*



5 The elimination of corruption



Robust anti-corruption policies, programmes and procedures



Transparent reporting on issues of malfeasance, best practices shared and case study published
Collaboration efforts with industry bodies, including the UN Global Compact



Employee performance management aligned to EOH values

GRI 2-26: Preventing unethical and unlawful behaviour



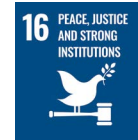
Target 16.3: Promoting the rule of law and ensuring equal justice for all

Ultimo

The development and implementation of the Ultimo RPA (“robotic process automation”) bot effectively vets and screens governance, risk and compliance processes and applications, decreasing human error and massively speeding up the turnaround times. Ultimo allows anyone to ensure corrupt individuals and organisations trying to use the private and public sectors as their foundations to commit crime are effectively stopped before they can get in.

Ultimo allows for risk professionals to join the screening and vetting team without having to have any background in technology or data aggregation. The impact of the system so far has greatly exceeded our initial estimates of ease of use and marketability.

GRI 205: Combatting corruption



Target 16.5: Reducing corruption and bribery

iBOT

Coupled with Ultimo, the iBOT process provides an assurance control for the entire Bid Office. The entire Bid Office process and the GRC controls and assurance mechanisms in place have drastically reduced, if not eliminated, corruption and bribery in this space. iBOT and Ultimo are being commercialised and offered as a GRC-as-a-Service product suite to corporate South Africa to help prevent corruption at a national level.



Target 17.8: Enhancing the use of enabling technology

Cerebro

The development of the Cerebro GRC platform from the centre of EOH’s GRC efforts into a fully functioning technology solution for all enterprises is a true feat of technological operationalisation and capacity building of enabling technology that can help all of South Africa obtain the same level of due diligence and good citizenship as EOH itself.



Sustainability as part of our business *continued*







5 The elimination of corruption

Digital forensic data extraction analysis

EOH company XTND, a six-time winner of the ACFE African Chapter corporate of the year, provided a comprehensive fraud-prevention solution to a major public-sector procurement function. The solution included the prevention of financial, asset and intellectual property losses, detection of incidences and/or exposure to claims, and financial, asset or intellectual property losses, response to protection of further loss by aiming to prosecute and recover losses suffered, securing the ongoing protection against white collar crime.

XTND comprises highly specialised subject matter experts in different forensic disciplines and experienced analysts collaborating to identify an array of white-collar crime and risks, and has saved R4 billion for its clients over a period of nine years. Its work has resulted in:

 <p>Fraud prevention and detection</p>	 <p>Adherence to legislation</p>	 <p>Reduced fraud and corruption within public and private-sector organisations</p>
 <p>Enhanced ethical behaviour in South Africa</p>	 <p>Economic growth</p>	 <p>Financial stability and peace of mind</p>

 <p>Bribery and corruption</p>	 <p>Fraud</p>	 <p>Employee codes of conduct</p>
 <p>HR</p>	 <p>IT</p>	 <p>Finance policies</p>



Target 17.17: Encouraging effective partnerships

Corruption Watch

EOH, in partnership with Corruption Watch, participated in a thought-provoking presentation to the United Nations Global Compact network of local companies on our story of courageous leadership in the fight against corruption.

The event presented a dialogue to build awareness among SMMEs, large corporations, business associations, financiers and policymakers on the importance of anti-corruption and ethical behaviour in the private sector with research data and critical insights from Corruption Watch, and a case study presentation from EOH.



Target 17.13: Enhancing macro-economic stability

Best-practice policies

EOH's GRC function has aligned all of our policies to national and international regulatory requirements and codes of best practice.



Sustainability as part of our business *continued*

6

Taking action on climate change

Protecting our planet through enabling technologies

Technology solutions for customers that enable the efficient use of resources

To lead by example by reducing our carbon footprint through eco-friendly practices

Nurturing of NEXTEC technology opportunities that contribute to climate action

To continue to support the evolution of technologies that support smart cities

12
RESPONSIBLE
CONSUMPTION
AND PRODUCTION

13
CLIMATE
ACTION

Our carbon footprint 2022

A carbon footprint is the total set of greenhouse gas (“GHG”) emissions caused by an organisation, event, product or person. Greenhouse gases are emitted through transport, land-use change, the production and consumption of food, fuel combustion, manufactured goods, material consumption, waste disposal and use of services. A carbon footprint is usually reported in CO₂e (carbon dioxide equivalent) which is the internationally recognised measure of greenhouse gases.

Methodology

The carbon footprinting methodology was undertaken according to the international methodology Greenhouse Gas Protocol Initiative (“GHG Protocol”).

The GHG Protocol is the most widely used standard for mandatory and voluntary GHG reports and is compatible with other international GHG standards such as ISO 14064. It is derived from a multiple-stakeholder partnership of businesses, NGOs and governments led by the World Resources Institute (“WRI”) and the World Business Council for Sustainable Development (“WBCSD”).

CO₂e is the standard unit of measurement for greenhouse gas emissions. Each of the gases has a global-warming potential measured against CO₂ that allows for conversion to CO₂e. Activity data is converted to CO₂e using emission factors.

The emission factors used in the calculations are from the Department of Environment, Food and Rural Affairs (“DEFRA”) database from the United Kingdom.

The greenhouse gases covered by this calculation are carbon dioxide (“CO₂”), methane (“CH₄”), nitrous oxide (“N₂O”), hydrofluorocarbons (“HFCs”), perfluorocarbons (“PFCs”), sulphur hexafluoride (“SF₆”) and nitrogen trifluoride (“NF₃”).

Table 1: Total greenhouse gas emissions

Scope	Emission source	2022 emission (tonnes CO ₂ e)
Scope 1	Mobile consumption (company-owned vehicles) – diesel	430
Scope 1	Mobile consumption (company-owned vehicles) – petrol	154
Scope 1	Stationary consumption – backup generators	152
Scope 1	Refrigerants and air-conditioning	448
TOTAL scope 1		1 185
Scope 2	Purchased electricity	4 500
TOTAL scope 2		4 500
Scope 3	Water consumption kilolitres – municipal	13
Scope 3	Estimated business air travel (passenger kilometres)	439
Scope 3	Rental car travel distance (kilometres)	23
Scope 3	Business travel in employee-owned vehicles (kilometres)	1 918
Scope 3	Paper consumption – A4 (number of reams)	10
Scope 3	Waste disposal	8
TOTAL scope 3		2 410
TOTAL		8 095



Sustainability as part of our business *continued*

6 Taking action on climate change

The following graph shows a comparison of emissions (tCO₂e) measured since 2012.

Figure 1: Emissions measured since 2012

Emissions measured since 2012

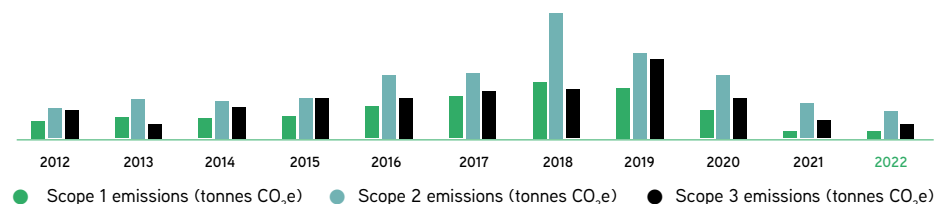


Table 2: Carbon emissions main indicators since the previous financial year

Main indicators

	2022	2021	% change
Scope 1 emissions (tonnes CO ₂ e)	1 184	1 119	5.88
Scope 1 emissions per employee	0.2	0.18	8.77
Scope 2 emissions (tonnes CO ₂ e)	4 499	5 778	(22.12)
Scope 2 emissions per employee	0.75	0.94	(19.86)
Scope 3 emissions (tonnes CO ₂ e)	2 410	2 958	(18.52)
Scope 3 emissions per employee	0.4	0.48	(16)

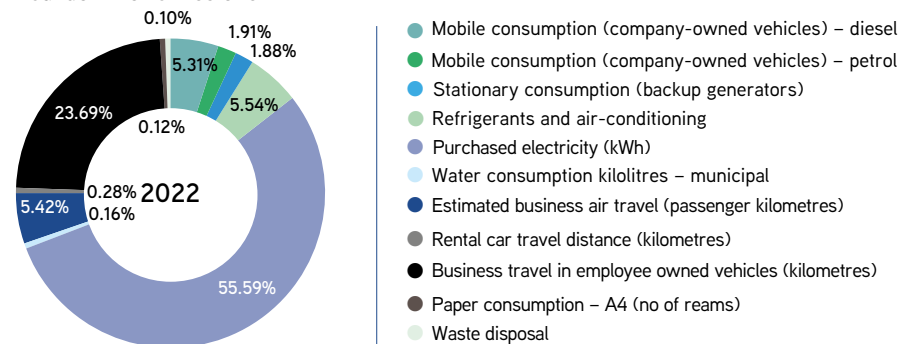
¹ Scope 1 emissions are direct emissions from sources that a company directly owns or has control over.

² Scope 2 emissions are from purchased electricity, heat or steam.

³ Scope 3 emissions are a consequence of a company's activities, but occur at sources owned or controlled by another company.

Figure 2: Scope 1, scope 2 and scope 3 emissions for 2022 (tCO₂e)

Breakdown of emissions



Comparison of emissions (2021 – 2022)

During the financial year, a number of factors contributed to the reduction of scope 1, scope 2 and scope 3 emissions.

Scope 1 emissions

A number of business units owning company cars have been disposed of, and the number of pool cars drastically reduced during the financial year, as a result. In addition, we reduced our property portfolio from 179 buildings to just 26.

Due to the reduced number of pool cars, vehicle emissions have reduced, and due to the reduced number of buildings occupied, fugitive emissions from refrigerants and air-conditioning units have also reduced. In addition, it is expected that our New Way of Work model, involving increased remote work, played a role in the reduction of scope 3 emissions due to the reduced need for travel.

Figure 1 indicates that overall scope 1 emissions have reduced since 2018. Figure 3, indicating scope 1 emissions per employee, shows a reasonable consumption in scope 1 emissions.

Figure 3: Scope 1 emissions per employee

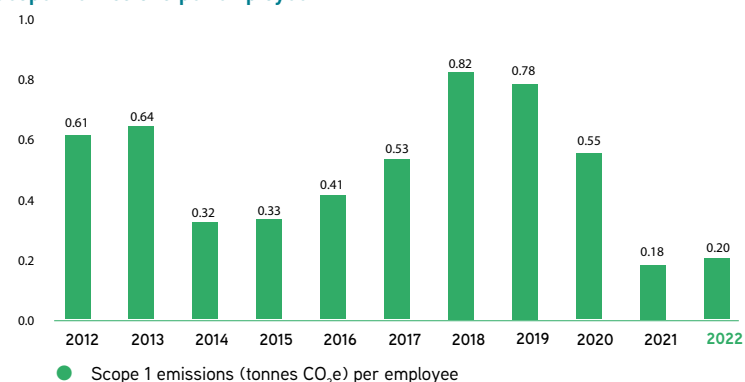
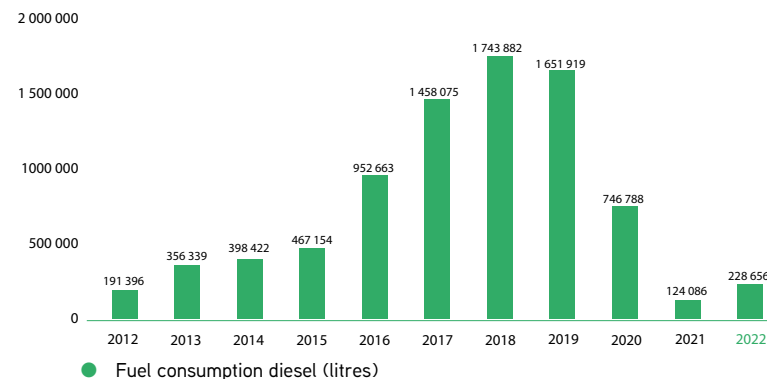


Figure 4: Fuel consumption (litres of diesel)





Sustainability as part of our business *continued*

6 Taking action on climate change

Figure 5: Fuel consumption (litres of petrol)

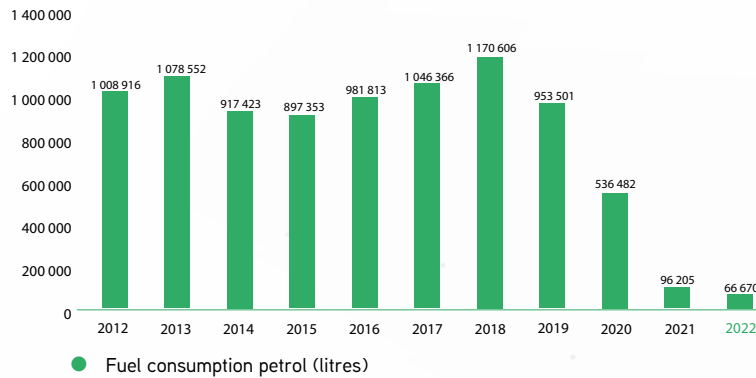
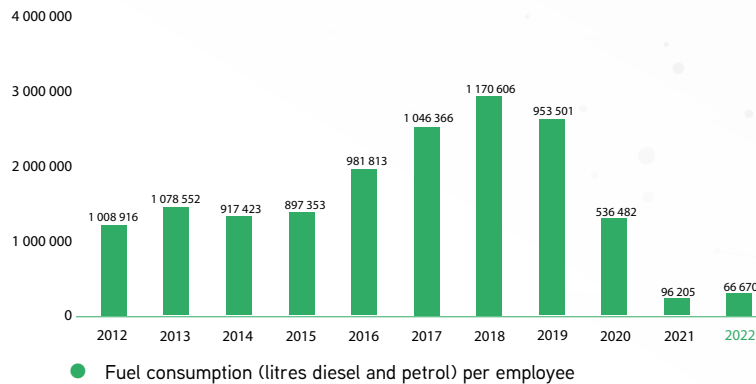


Figure 6: Fuel consumption per employee

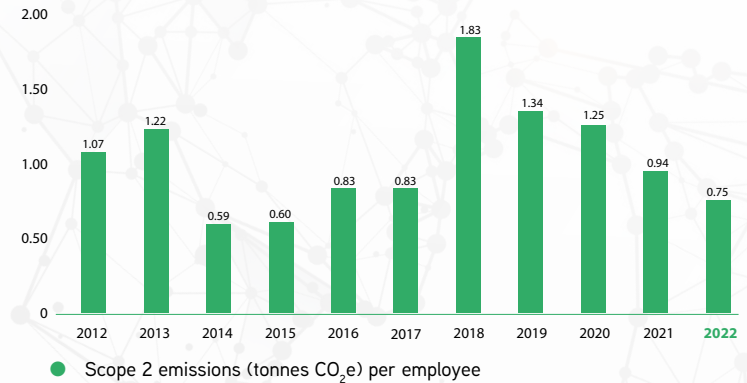


Scope 2 emissions

Figure 1 indicates that overall scope 2 emissions have reduced since 2018. Due to the reasons given above (exiting and selling of buildings), as well as lockdown and our New Way of Work, it would be expected that electricity consumption (scope 2 emissions) was reduced.

Figure 7, indicating scope 2 emissions per employee, shows a reduction in scope 2 emissions.

Figure 7: Scope 2 emissions per employee



Scope 3 emissions

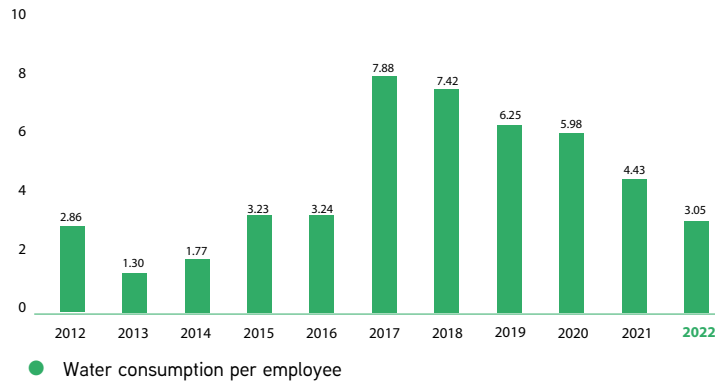
Due to the reduction of occupied buildings, as well as our New Way of Work, water consumption was reduced (refer to Figure 8 indicating the water consumption per employee). Air travel, use of hired cars and paper consumption also decreased (refer to Figure 9, Figure 10 and Figure 11).



Sustainability as part of our business *continued*

6 Taking action on climate change

Figure 8: Water consumption per employee



Other scope 3 emissions are indicated below.

Figure 9: Business air travel (passenger kilometres) per employee

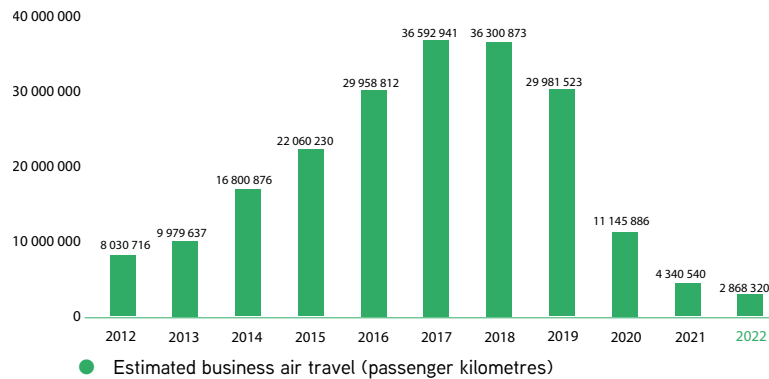


Figure 10: Business travel in rental cars, per employee

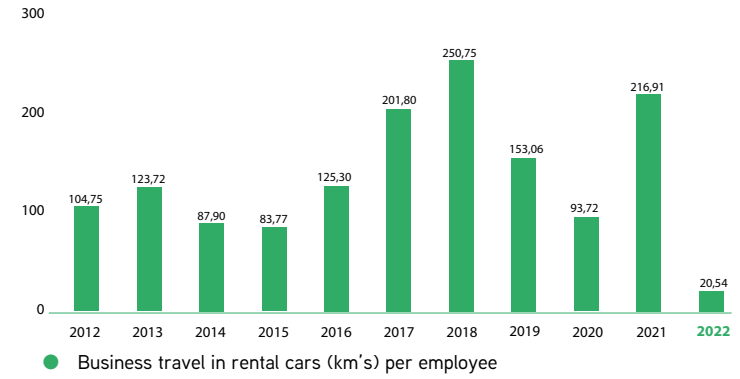
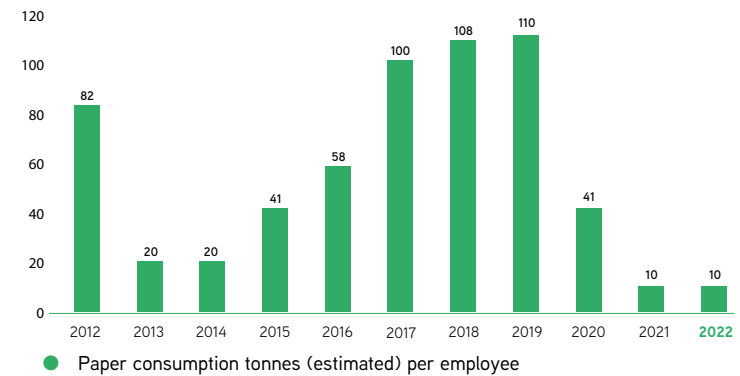


Figure 11: Paper consumption per employee





Sustainability as part of our business *continued*

6 Taking action on climate change

Futureworld

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Target 12.5: Reducing waste

Managed print services

An EOH solution, allowing a large financial services company to report detailed print and copy usage, contributed to an annual reduction in print volume and costs.

The solution provided a single point of contact for all managed-print-service-related matters, vendor management, accurate and detailed billing by user and cost centre based on true consumption, provision of on-site resources to ensure service availability, not just uptime, enhanced security features through device-embedded software, monthly SLA reporting and continuous optimisation.

Impressions

Impressions is an advanced digital signature solution that allows customers to view and sign documents digitally and securely. In addition to improving compliance – every document signed with Impression contains a full audit trail of the process followed, maintaining the chain of custody – and process efficiencies, Impressions allows customers to save on costs and the environmental impact of paper and printing.

Impressions was recently adopted by a large financial services company in South Africa focusing exclusively on graduate professionals – providing tailor-made insurance, investment, and healthcare solutions to members – discovered the value of an innovative approach, as it embarked on a campaign to roll out digital signatures across its organisation.

This strategic move is paying dividends as broker, member and customer relationships are bolstered in four powerful ways:

<p>1 </p> <p>Forward-thinking innovation helping members keep pace with global digitisation</p>	<p>2 </p> <p>Greater security, data privacy, and compliance reducing fraud risk and limiting losses</p>	<p>3 </p> <p>Enhanced usability, auditability and convenience</p>	<p>4 </p> <p>All leading to tangible cost savings through automation, to the benefit of members' profit-share interest</p>
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Target 13.1: Strengthening climate-change resilience

iOCO

As a Group we coordinate and respond effectively to requests for assistance. In FY2022, in the wake of the unrest and floods experienced in KwaZulu-Natal, iOCO donated 50 000 litres of drinking water and over 300 food parcels to impacted communities, and encouraged staff to donate to Gift of the Givers.

Reduction and reuse

To prevent the avoidable extraction and processing of raw materials, iOCO reuses laptops, user equipment and client edge hardware on rental models, wherever possible.

Our departments are located across South Africa utilising the work-from-anywhere model, thus reducing the requirement for work transport and thus reducing carbon emissions. In addition, travel has been cut back significantly.

EOH is also working on proofs of concept in relation to virtual reality and the Metaverse, which will further change the way of work and engagement and reduce the need for employees to be in the office, thus further reducing carbon emissions.



Target 13.3: Improving climate-change mitigation capacity

Step Up 2 A Green Start Up inspiring young entrepreneurs for a changing climate

Step Up 2 A Green Start Up celebrates the brightest young minds in South Africa who seek to solve our environmental challenges through their innovative businesses and make a difference in their communities. Step Up 2 A Start Up has also been chosen as one of only three African impact projects that the World Economic Forum New Champions has nominated and adopted to collaborate with on a local and global stage.

Total investment

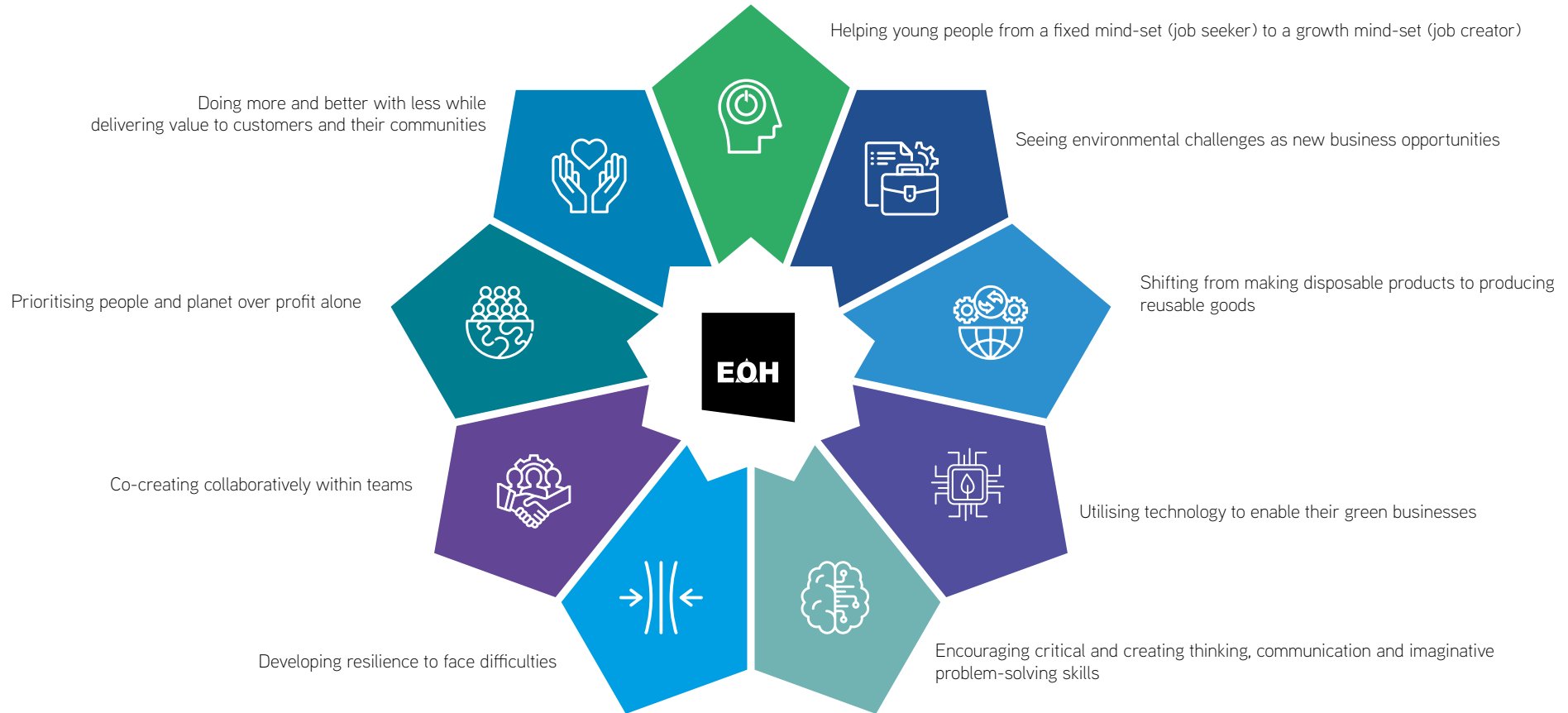
R1.5 million

EOH partnered with Primestars in their Step Up 2 A Green Start Up programme, which is aimed at inspiring young entrepreneurs to find opportunities in the green economy, through the provision of practical processes that young entrepreneurs can follow to start their green businesses.



Sustainability as part of our business *continued*

The Step Up 2 A Green Start Up collaboration achieved the following:



Step Up 2 A Green Start Up programme in cinema

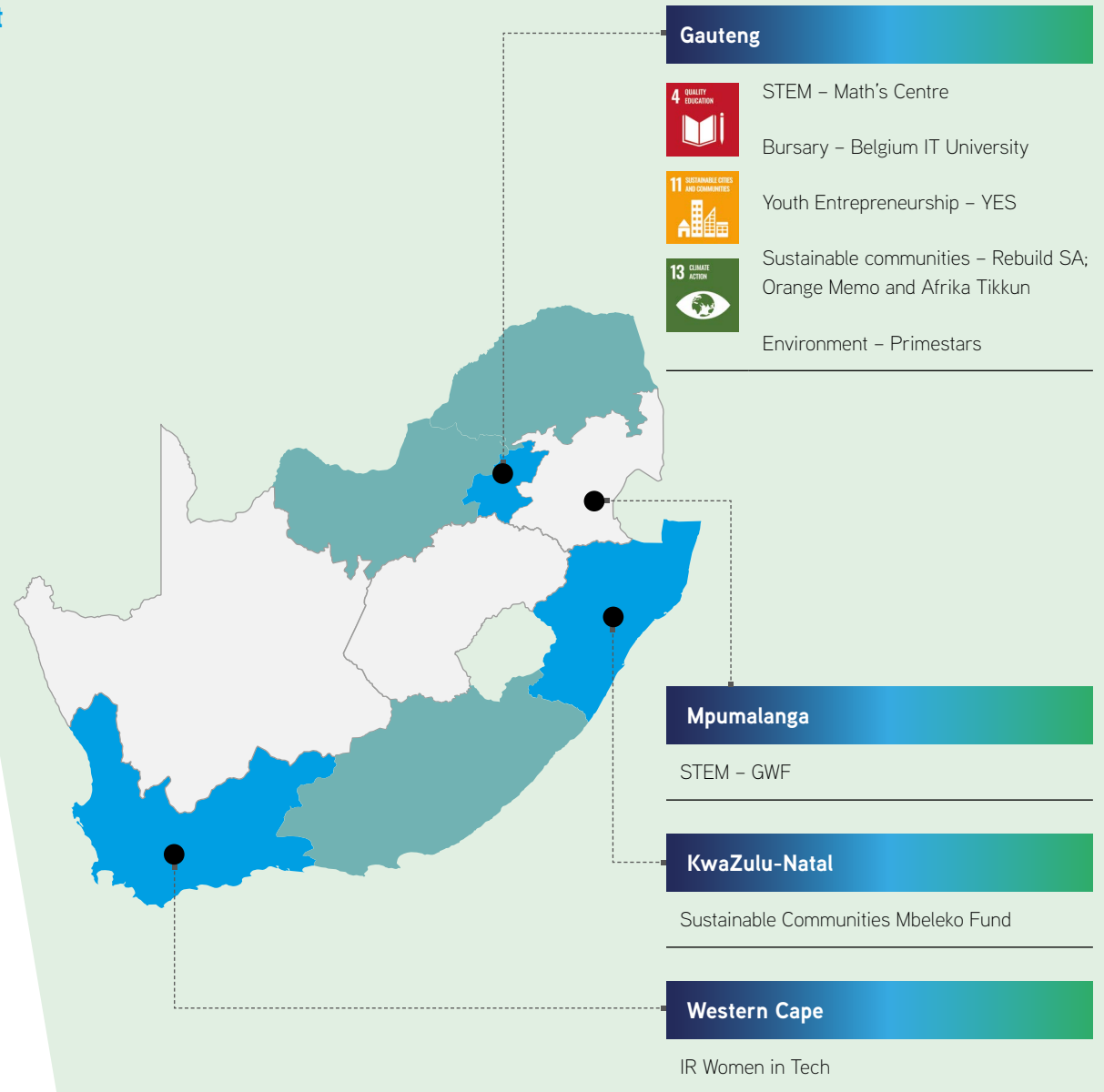




Sustainability as part of our business *continued*

2030 plans for ESG and socio-economic development

- Perform an ESG materiality assessment to evaluate and improve our non-financial, social and environmental performance, set adaptation and mitigation plans and targets
- Continue to improve our sustainability reporting in accordance with the GRI and UN SDGs
- Maintain our membership and contribution to the UNGC local and global networks
- Further integrate our SED programmes with the UN SDGs
- Link our SED and public-sector strategies
- Replicate our Gauteng SED model and increase our footprint in the Western Cape and KwaZulu-Natal





Commitment to governance

The Board is committed to **driving** the strategy, based on an **ethical foundation**, to **support** a sustainable business that acts in the **best interests** of the Group, society, the environment and its stakeholders.

- 88 EOH Board
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- 112 Audit Committee Report
- 115 Governance and Risk Committee Report
- 118 Information and Technology Committee Report
- 120 Social and Ethics Committee Report
- 122 Asset Disposals and Strategic Acquisitions Committee Report



EOH Board

The Board and management remain committed to delivering long-term, sustainable value to their people, stakeholders, shareholders and partners, always guided by a common purpose, philosophy and value system.

INDEPENDENT NON-EXECUTIVE DIRECTORS



Andrew Mthembu (66)
Chairman and Independent Non-executive Director

Qualification

BSc in Chemistry and Biology, BSc in Civil Engineering, MSc in Construction Management, Executive Management Programme (Wharton and University of Chicago Booth School of Business)

Skills and expertise



Appointed:
20 June 2019

Committee membership

Member: Asset Disposal and Strategic Acquisition Committee
Member: Governance and Risk Committee
Permanent invitee to all Board committees



Jesmane Boggenpoel (49)
Independent Non-executive Director

Qualification

BCom in Accounting, BAcc, CA(SA), Master's in Public Administration (Harvard JFK School of Government)

Skills and expertise



Appointed:
1 July 2018

Committee membership

Chairperson: Governance and Risk Committee
Member: Audit Committee
Member: Information and Technology Committee



Mike Bosman (61)
Independent Non-executive Director

Qualification

BCom Honours in Financial Accounting, LL.M, CA(SA), Advanced Management Programme (Harvard)

Skills and expertise



Appointed:
20 June 2018

Committee membership

Chairperson: Audit Committee
Member: Governance and Risk Committee
Member: Nomination and Remuneration Committee
Member: Asset Disposal and Strategic Acquisition Committee



Bharti Harie (52)
Independent Non-executive Director

Qualification

BA LLB, LL.M, Admitted Attorney, Notary and Conveyancer

Skills and expertise



Appointed:
1 January 2021

Committee membership

Chairperson: Social and Ethics Committee
Member: Nomination and Remuneration Committee
Member: Governance and Risk Committee



Andrew Marshall (67)
Independent Non-executive Director

Qualification

BCom Honours

Skills and expertise



Appointed:
21 May 2020

Committee membership

Chairperson: Asset Disposals and Strategic Acquisitions Committee
Member: Audit Committee
Member: Information and Technology Committee



Jabu Moleketi (65)
Non-executive Director

Qualification

Post-graduate diploma in Economic Principles (University of London), MSc in Financial Economics (University of London), Advanced Management Programme (Harvard Business School)

Skills and expertise



Appointed: 1 September 2020

Committee membership

Member: Nomination and Remuneration Committee
Member: Social and Ethics Committee

- Corporate governance (including legal and compliance)
- Executive and strategic leadership
- Risk management
- Sustainability
- Finance, Investments and M&A
- HR and Talent Development
- ICT experience (including IOT, digital and Innovation)
- Strategic stakeholder relations
- Listed company board member experience
- Banking
- International Business
- Communications and PR



EOH Board *continued*

INDEPENDENT NON-EXECUTIVE DIRECTORS

EXECUTIVE DIRECTORS



Nosipho Molope (58)
Independent Non-executive Director

Qualification
BScience, BAccounting Sciences Honours, CTA, CA(SA)

Skills and expertise

Appointed:
1 January 2021

Committee membership
Chairperson: Information and Technology Committee
Member: Audit Committee
Member: Social and Ethics Committee



Siphso Ngidi (67)
Independent Non-executive Director

Qualification
BCom Honours in Economics

Skills and expertise

Appointed:
20 February 2020

Committee membership
Chairperson: Nomination and Remuneration Committee
Member: Social and Ethics Committee
Member: Governance and Risk Committee



Stephen van Coller (56)
Group Chief Executive Officer

Qualification
BCom in Management Accounting, HDip Acc, CA(SA), ACMA (UK)

Skills and expertise

Appointed:
1 September 2018

Committee membership
Permanent invitee to all subcommittee meetings



Megan Pydigadu (48)
Group Chief Financial Officer

Qualification
BCom in Accounting, HDip Acc, CA(SA)

Skills and expertise

Appointed:
15 January 2019

Committee membership
Permanent invitee to all subcommittee meetings



Fatima Newman (51)
Group Chief Risk Officer

Qualification
BA in Law, Certificate in Compliance Management, Leadership Programme (Singularity University)

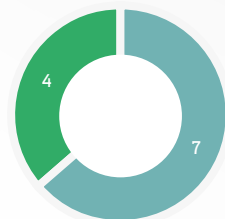
Skills and expertise

Appointed:
8 April 2019

Committee membership
Permanent invitee to all subcommittee meetings

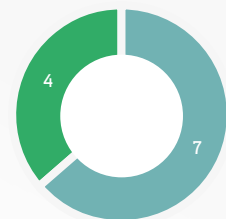
- Corporate governance (including legal and compliance)
- Executive and strategic leadership
- Risk management
- Sustainability
- Finance, Investments and M&A
- HR and Talent Development
- ICT experience (including IOT, digital and Innovation)
- Strategic stakeholder relations
- Listed company board member experience
- Banking
- International Business
- Communications and PR

Board independence



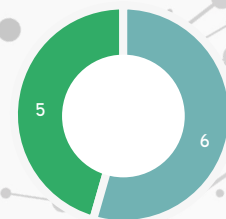
● Independent
● Non-independent

Board racial composition



● Black
● White

Board gender composition



● Male
● Female



Corporate governance

EOH's strong leadership team continues to rebuild the EOH business and brand, underpinned by the principles of ethical and transparent leadership.

The Board is committed to ethical leadership and best-practice corporate governance principles. The Board exercises oversight and through probity ensures that sound corporate governance continues to be embedded throughout the business and subsidiaries.

The Board monitors the awareness and governance training programmes and compliance attestations rolled out to the entire EOH employee universe. EOH has supplemented its own knowledge and training platforms by appointing best-practice experts in each of the sub-fields of governance. The EOH governance solutions are informed by this work so that the governance solution is tailored to the compliance and governance needs and requirements of EOH.

Key focus areas for the EOH Board during FY2022

- Considering and approving the Group's strategy and strategic direction for FY2022;
- Ensuring the Group's liquidity remained strong, with a strong emphasis on cost-saving measures;
- Ensuring that the Group met its deleveraging targets, particularly through the sale of businesses;
- Ensuring business continuity throughout the COVID-19 lockdown;
- Rolling out a new EVP centred around talent retention, attraction, development and remuneration;
- Continuing to finalise the investigations, criminal and civil prosecutions of historic fraud and corruption of former employees, as well as pursue the recovery of money lost by EOH as a result of wrongdoings; and
- Approving a governance framework and governance policies and monitoring the governance programmes which ensure that historic practices are not repeated or retained within the organisation's culture.

EOH has a unitary Board with the necessary collective knowledge and balance of skills, experience, resources and diversity to guide the business effectively. The Board's composition promotes the balance of power and authority and precludes any one director from dominating decision-making.

At the date of this report, the Board comprised 11 directors, three of whom are Executive Directors and seven of whom are independent Non-executive Directors. One Non-executive Director is not classified as non-independent. Seven of the Board members are black and five are women.

The directors bring to the Board a wide range of experience and expertise and, in the case of the independent non-executives, an independent perspective and judgement on issues of policy, strategy and performance. The Board believes that the current composition reflects an appropriate balance of knowledge, skills, experience, diversity and independence to effectively guide the business. Directors are classified as Executive Directors if they are full-time employees of EOH.

The Chairman and the CEO are appointed by the Board. Their roles are formally defined and separate. The Chairman is primarily responsible for leading the Board and for ensuring that the Board plays an effective role, facilitating communication with shareholders and fostering constructive relations between the Executive and Non-executive Directors. The Chairman is considered to be independent. The CEO serves as a bridge between the Board and the executive management team and is responsible for the commercial and operational management of the Group, which includes providing leadership to the executive team, who execute the approved strategy.

The Nomination Committee manages the succession and rotation of directors. They are mandated to identify potential candidates for the Board should a director retire, resign or be disqualified and removed. The committee assesses the appropriateness of candidates in terms of their experience and skills, and considers all facets of diversity to determine the optimal composition and balance of the Board. Selection, induction and ongoing training of directors is formalised and a basic succession plan is in place for key executives in the event of any resignations.

Newly appointed directors are ratified at the next annual general meeting ("AGM") following their appointment.

Independence of Non-executive Directors

The Board is satisfied that apart from one Non-executive Director who represents the Company's black empowerment partner, the Non-executive Directors, through the length of their tenure, their disclosure of their conflicts of interest and actual conduct at Board and committee meetings, are independent. At present, there are no directors who have served for a period of nine years and therefore further independence assessments are not required.

In terms of the Company's memorandum of incorporation ("Mol"), one-third of the Non-executive Directors are required to 'retire' at each AGM and, if they are eligible and available for re-election, their names are put forward for re-election by the shareholders at the next AGM. The Non-executive Directors who have been in office for the longest period since their appointment are required to 'retire' in terms of the rotation policy.



Corporate governance *continued*

Diversity and inclusivity policy of the Board

We recognise and embrace the benefits of a diverse Board and believe that diversity at Board level is an essential component for sustaining a competitive advantage. Race, age and gender diversity, underpinned by the relevant skills as well as business, geographic and academic experience and background, enhance the composition of a truly diverse Board.

The Board is committed to diversity and inclusivity and the Company's diversity and inclusivity policy forms part of the Board Charter. Board appointments are made on merit, having due regard for the benefits of diversity.

At the date of this report, the Board comprised 11 directors, 45% of whom are women, with four women being of African and Indian descent, of varying ages and academic backgrounds.

Role and responsibilities of the Board

The role of the Board is to provide sufficient oversight and probity to enable management to achieve the long-term sustainability and success of EOH for the benefit of all stakeholders, underpinned by the EOH Code of Ethics and Company policies. The Company's MOI, Board Charter and the Delegation of Authorities Framework articulate the duties, responsibilities and powers of the Board, matters reserved for the Board, together with the appropriate delegation of Board authority and mandates.

Annually, the Board approves the long- and short-term strategy of EOH and assesses how business is conducted. Once strategic targets are agreed, the Board monitors and reviews these strategic targets and objectives, approves material capital expenditure, evaluates and approves or rejects the acquisitions and disposals of Company assets, and monitors internal controls and the reporting against the approved risk management framework and IT governance. The EOH ExCo is responsible for managing the Group's operations and the execution of the Group's overall strategy, which is presented to the Board for approval.

Board Charter

The EOH Board Charter aligns with the recommendations of King IV and outlines the powers, responsibilities, induction and ongoing development requirements of Board members.

The Board Charter details the responsibilities of the Board, which include:

- providing input into the Group's strategic direction;
- providing effective leadership based on an ethical foundation and a sound GRC framework;
- ensuring the Group conducts itself in accordance with the principles of fairness, accountability, transparency, responsibility, competence and integrity;
- ensuring an appropriate GRC framework is in place and applied across the Group;
- ensuring the Code of Ethics is adopted and implemented across the Group;
- ensuring the Group is, and is seen to be, a responsible corporate citizen;
- defining levels of materiality and risk tolerance;
- governing risk and opportunities in a way that supports the Group achieving its goals;
- ensuring the adequacy and effectiveness of the Group's internal control systems and procedures;
- ensuring appropriate technology systems are in place;
- approving the annual budget and operating plan of the Group;
- approving EOH's Annual Financial Statements and public pronouncements on financial performance and ensuring the integrity of such reports;
- considering, and, if appropriate, declaring distributions in accordance with the provisions of the Companies Act;
- ensuring that the Group remunerates fairly, responsibly and transparently;
- communicating with internal and external stakeholders in a transparent and timely manner; and
- ensuring the overall sustainability of the Group.

The Board is satisfied that it has fulfilled its responsibilities defined in the charter for the year under review.

Board effectiveness

During February 2022, the Company undertook an independent Board appraisal under the Chairman, Mr Andrew Mthembu, to evaluate Board functioning. Board members provided their confidential responses on subject areas which included Governance; Strategy Review; Board Structure; Leadership; Financial Reporting; Financial and Risk Assessments; Investments; Tax Policies; Director Development; Succession Planning; Reaction to the Covid-19 pandemic; B-BBEE and Transformation; and Stakeholder Engagement. In addition, overview appraisals of the six subcommittees were undertaken. An area of ongoing focus is the reduction of debt and restructuring of capital so as to reposition the Company on its strategic growth path. The Board is functional and Board members execute their fiduciary duties responsibly and effectively. EOH is a well-run organisation under the respected leadership of Mr Stephen van Coller.

The next formal Board evaluation will be conducted in FY2024, aligned to the biannual cycle of evaluation directed by the Board Charter.

Performance monitoring

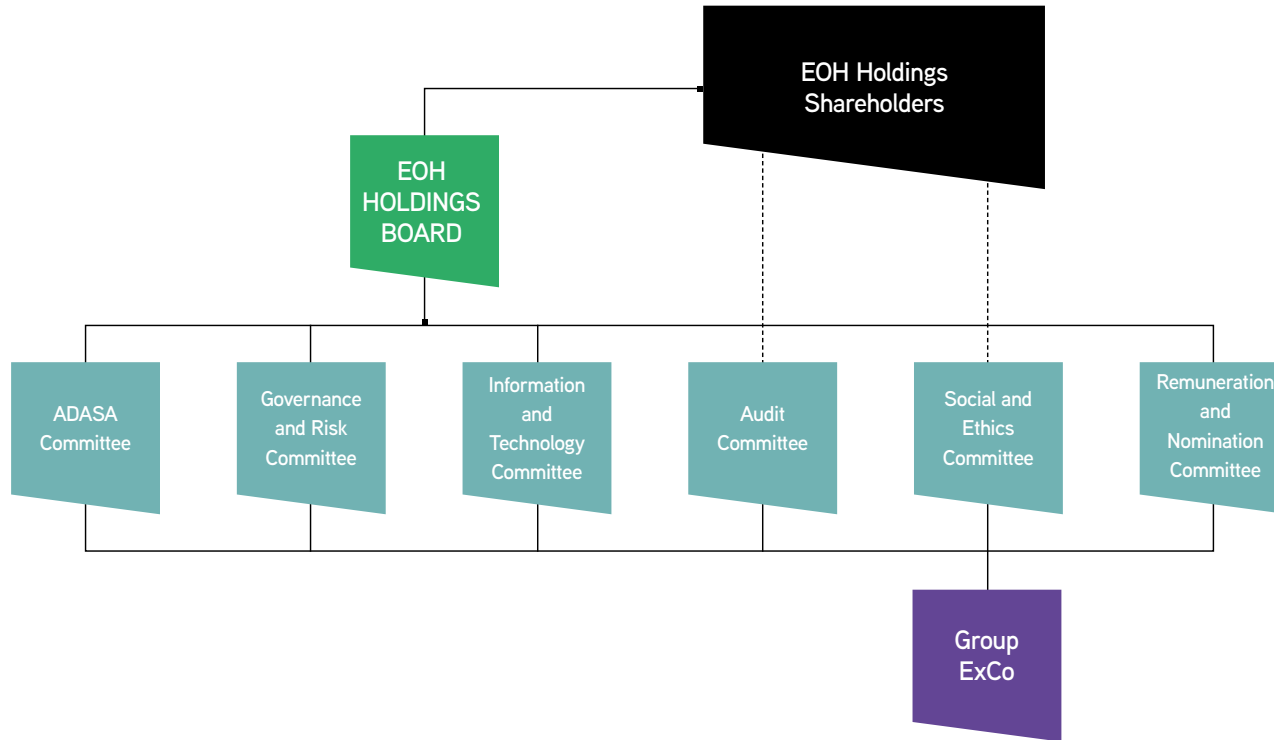
Key performance measures and targets for assessing the achievement of strategic objectives and positive outcomes over the short, medium and long term are defined within the EOH reporting framework. The respective Board subcommittees perform ongoing oversight over the implementation of the Group and operational strategies and their value drivers. The ExCo performs oversight and monitoring of operational budgets, plans and targets by management against agreed performance measures and targets.



Corporate governance *continued*

Board committees

The Board delegates certain functions to committees without abdicating any of its responsibilities. The committees are chaired by Non-executive Directors and operate under Board-approved terms of reference.



The Board has six committees:

The membership of each committee comprises Non-executive Directors. The Executive Directors have standing invitations to attend these committees.

Audit Committee:

Members are elected by shareholders at the Company's AGM (see further activities of the Audit Committee in its Report on page 112).

Governance and Risk Committee:

See further activities of the Governance and Risk Committee in its Report on page 115.

Information and Technology Committee:

See further activities of the Information and Technology Committee in its Report on page 118.

Remuneration and Nomination Committee:

See further activities of the Remuneration and Nomination Committee in its Report on page 109.

Social and Ethics Committee:

See further activities of the Social and Ethics Committee in its Report on page 120.

Asset Disposals and Strategic Acquisition Committee:

See further activities of the Asset Disposals and Strategic Acquisition Committee in its Report on page 122.

Company Secretary

Neill O'Brien was appointed as Interim Company Secretary on 1 October 2022, following the resignation of Thiroshnee Naidoo as Company Secretary with effect from 31 July 2022. The Board is satisfied that the Interim Company Secretary is suitably qualified, competent and experienced to provide the required support and



Corporate governance *continued*

guidance. An announcement about the appointment of a permanent Company Secretary will be made in due course.

The Company Secretary supports the Chairman and directors and has direct access to and ongoing communication with the Chairman. All directors have access to the services of the Company Secretary and may obtain independent professional advice. The Board believes this provides the necessary access to corporate governance advice. The Company Secretary is not a director of the Company or its subsidiaries and also acts as secretary of the Board committees.

Subsidiary boards

EOH's wholly owned subsidiaries each have their own board of directors. The boards of the subsidiaries and the management committees of the various operating divisions have the necessary mix of skills and experience.

The Board response to King IV

King IV advocates an outcomes-based approach and defines corporate governance as the exercise of ethical and effective leadership towards the achievement of the following governance outcomes:

- Ethical culture;
- Good performance;
- Effective control; and
- Legitimacy.

EOH is committed to maintaining a high standard of corporate governance and continuously engages with leading governance institutions to assist in the design and implementation of King IV. An annual assessment is undertaken to assess ourselves against the principles contained in the King IV Report. We have adopted a substance-over-form approach with regard to alignment with King IV to avoid tick-box compliance, and also because this approach accommodates the achievement of the recommended King IV outcome/governance standards by applying practices other than those specifically detailed in the King IV Report.

EOH met its reporting requirements relating to the JSE Listings Requirements and the Companies Act (as amended). EOH remains compliant with the Companies Act, particularly with reference to the incorporation provisions, and operates in conformity with the Company's MOI.

Ethical culture

The Board is committed to driving the strategy, based on an ethical foundation, to support a sustainable business that acts in the best interests of the Group, society, the environment and its stakeholders. The Board sets the tone for an ethical organisation through its Code of Ethics and has discharged its responsibilities by ensuring that a robust and resilient GRC framework is in place. There are systems, procedures and monitoring structures in place to ensure the effectiveness of this framework. The directors of EOH are competent and act ethically in discharging their responsibility to provide strategic direction and effective governance in terms of the Board Charter and EOH's Mol.

The Board commits to the Constitution of the Republic of South Africa (including the Bill of Rights) and embraces the principles of fairness, accountability, integrity and transparency.

The Group has adopted an overarching formal Code of Ethics founded on our values of 'Authenticity', 'Partnership', 'Adaptability', 'Ingenuity', and 'Mastery', to which the Board subscribes. All employees have a duty to act in accordance with these values and thereby to maintain and enhance the reputation of the Group.

The EOH ExCo is responsible for ensuring that these values are adhered to throughout the Group and the Board's Social and Ethics Committee ensures the application of these principles.

The EOH Code of Conduct was developed around the principles of ethical leadership and was adopted by the Board. The code commits EOH and its employees to the highest ethical standards of conduct, particularly in relation to non-discriminatory practices, unethical practices, bad behaviour and confidentiality of personal information.

Continuous training, aligned with the principles of the Code of Ethics training through a series of animated online training interventions, was rolled out during the course of the year. Awareness training based on both the law and regulations, together with EOH policies, is also provided to employees regarding gifts and entertainment and declaration of interests. In all, 98% of the total EOH staff complement completed the mandatory training programme, which included individual attestations at the end of

each training module. The Group Compliance function oversees and assists with the enforcement of the policies and processes.

Conflicts of interest

Board members are under a legal duty to prevent any conflict of interest with Company business and to make full disclosure of any areas of potential conflict. At the beginning of each Board and Board committee meeting, members of the Board are invited to disclose their conflicts in relation to any item on the agenda of that meeting so that the proper process as dictated by the Companies Act may be followed. The Company Secretary maintains a register of directors' interests and directors are also required to declare their interests annually in order to determine whether there are any conflicts with their duties and the interests of EOH. The directors have certified that they have no material interest in any transaction of any significance with the Company or any of its subsidiaries.

In line with our value of transparency, all employees and directors of the Company are expected to make a declaration of any perceived or actual conflict of interest when a gift or courtesy of significant value is accepted and to ensure a commitment and adherence to the Code of Conduct and relevant legislation.

Directors' interests in EOH shares

It is not a requirement of the Company's Mol or the Board Charter that directors own shares in the Company. The shares held by the directors as at 31 July 2022 are disclosed on page 58 of the Annual Financial Statements.

Trading in Company shares

EOH has a personal-account-dealing policy outlining the processes to be followed should directors and senior executives want to trade in Company shares. Directors and senior executives are prohibited from trading in EOH shares during closed periods, which commence on 1 February and 1 August each year and remain in force until the publication of the interim and final results respectively. Closed periods also include any period during which the Company trades under a cautionary announcement. The Company Secretary informs the Board, management and the entire employee population at the commencement and end of closed periods. All directors' trading in EOH shares requires the prior approval of the Group CEO or Group CFO. No director can approve their own trading of EOH shares. The Group Compliance department retains a record of all such share dealings and dealings



Corporate governance *continued*

are published on SENS as required in terms of the JSE Listings Requirements.

Whistleblowing

EOH aims to create a climate where workplace concerns and irregularities, including suspected fraud and corruption, can be reported by employees safely and without fear of retribution and victimisation. This is formalised in the Code of Ethics and other related governance policies.

EOH utilises the ExposeIT app, which provides a secure, completely anonymous and confidential channel for employees, suppliers, customers and any other stakeholders to report concerns regarding wrongdoing at EOH. Reports received through the app will be monitored by an independent entity.

A zero-tolerance corruption and bribery policy

EOH has a zero-tolerance policy towards bad behaviour and unethical practices. The bidding process is governed through a joint bid compliance management process and only accredited third-party partners and suppliers are used. EOH has adopted the ISO 37001 (the International Standard on Anti-bribery and Corruption) standard and is aligning its processes with the standard. Third-party due diligence has been implemented for all new customer, supplier and partner on-boarding across the Group.

Group performance

The directors, individually and collectively, are responsible for realising EOH's strategic objectives and for managing risks and opportunities to ensure an ongoing sustainable business.

EOH's ExCo is responsible for working with the CEO to implement the strategies and policies of the Group. The Board oversees and monitors, with the support of its committees, the implementation and execution by management of the policies and procedures in order to ensure that the Group achieves its objectives.

The Group's business model incorporates the environmental, social and governance aspects of sustainability. Implementation is supported by formal policies governing environmental, corporate social investment, ethical and remuneration matters, all of which form key components of the value-creation process.

The Board is responsible for ensuring that the Group's financial performance is reported fairly, with the assistance of the Audit Committee and the external auditor.

Business continuity and resilience management

The COVID-19 pandemic required EOH to reassess business continuity plans in place and make adjustments for full remote working. Lessons learnt from the pandemic will be analysed and continuous improvement made to our business continuity plans to ensure these plans are robust and fit-for-purpose.

Effective control

The Board is responsible for governance and enterprise risk management and determines how risk is approached and addressed across the Group. The Audit Committee assists the Board by providing an independent and objective view on the Group's financial, accounting and control mechanisms. The Governance and Risk Committee assists with considering business risks and the mitigation of these risks as well as the Group's compliance with all relevant statutory and regulatory requirements.

The Board is also responsible for ensuring that the information and technology needs of the businesses are in place and effectively governed. The Information and Technology Committee assists in this regard.

The directors are also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the Annual Financial Statements, and to adequately safeguard, verify and maintain accountability of assets, as well as prevent and detect material misstatement and loss. Management believes that a strong internal control environment is critical to the success of EOH. Management is aware of the material breakdowns in the control environment in the past and is working to remediate this. However, there is still significant room for improvements in the control environment, both from a design and effectiveness standpoint.

The Board, supported by the Audit Committee, approved the internal audit charter as well as the internal audit plan.

The internal audit function is carried out by the Company's internal audit department, with external expertise used where appropriate. An integrated risk-based approach guides the development of the internal audit allocation of resources as the third line of defence.

The process by which directors are selected and their performance regularly reviewed ensures that the Board collectively has the necessary ethical culture, range of skills, technical knowledge and experience to perform effective oversight of the Group.

Legitimacy

EOH's systematic and integrated approach to stakeholder engagement aims to create the necessary channels to stay informed about stakeholders' key concerns and create transparency about the challenges the Group faces and progress in addressing these. The Board, through its committees, ensures that the interests of all stakeholders are addressed.

Our strategy aims to build greater confidence with all stakeholders through good governance, strong financial performance, transparency and increased disclosure. The Group's enhanced reporting framework defines the disclosure and reporting requirements in relation to:

- stakeholders and regulators;
- external communication protocols;
- monitoring and reporting requirements of the Group in terms of report frequency, content coverage and audience/stakeholders;
- audit, risk and assurance escalation, reporting and disclosure requirements; and
- all remuneration practices in relation to directors and the executive.

Reputation and brand management

EOH is committed to protecting and promoting its reputation and brand. A formal reputation and brand management strategy provides clear guidelines on building and retaining a strong brand. It covers the measures taken by EOH to avoid conflicts of interest and to train its employees accordingly. EOH's relationships with its vendors and suppliers are based on strong partnerships, transparency and ethical conduct.



Corporate governance *continued*

Attendance

The Board meets quarterly and on an ad hoc basis when considered necessary. Board meetings are convened by formal notice incorporating agendas and accompanied by background material relating to matters to be discussed at each meeting to enable the directors to prepare in advance.

	Board	Audit Committee	Risk and Governance Committee	Social and Ethics Committee	Remuneration and Nomination Committee	Technology and Information Committee	Asset Disposal and Strategic Acquisition Committee
Number of meetings	6	4	3	3	4	3	6
Executive Directors							
Stephen van Coller (CEO)	6	4	3	3	4	3	6
Megan Pydigadu (Group CFO)	6	4	3	3	4	3	6
Fatima Newman	6	4	3	3	4	3	5
Non-executive Directors							
Andrew Mthembu	6	4	3	2	2	3	6
Andrew Marshall	6	4				3	6
Mike Bosman****	6	4	3		4	1	6
Sipho Ngidi	6		3	3	4		
Jesmane Boggenpoel	6	4	3	3			
Jabu Moleketi**	6			3	4	2	
Bharti Harie***	6		2	3	4		
Nosipho Molope*	6	3	1	3		2	

* Appointed as a member and Chairperson of the Information and Technology Committee and stepped down as a member of the Risk and Governance Committee on 1 February 2022.

** Appointed as a member of the Information and Technology Committee and stepped down as a member of the Risk and Governance Committee on 1 February 2022.

*** Appointed as a member of the Risk and Governance Committee on 1 February 2022.

**** Stepped down as a member of the Risk and Governance Committee on 1 February 2022.



Remuneration Report

Background statement

Employee Value Proposition and Reward philosophy

The Company's Employee Value Proposition ("EVP") is a unique and comprehensive set of employer offerings that an employee receives in return for the skills, capabilities and experience they bring to the Company.

Through the Company's EVP model, we seek to enable, grow (career and talent management), include (diversity, inclusion and equity) and care (integrated wellness) for our employees.

Our reward delivery model to enable employees:

Total rewards	Financial rewards	Guaranteed remuneration	<ul style="list-style-type: none"> > Basic salary > Retirement benefits > Medical benefits > Death and disability benefits > Statutory payments
		Variable remuneration	<ul style="list-style-type: none"> > Allowances and sundry benefits > Commissions > Short-term incentives > Long-term incentives
	Non-financial rewards	Learning and development	<ul style="list-style-type: none"> > Training > Workplace learning experiences > Career development > Performance and recognition
		Work environment	<ul style="list-style-type: none"> > Leadership, climate and culture > Core values > Job/work design > Work-life balance > Wellness

Performance management, recognition and reward form the cornerstone to enable our employees to experience success over the long term. It facilitates congruence between employee commitment to our organisation and other life commitments. We demonstrate fair and responsible pay and strive to demonstrate that the work of our employees is valued and appreciated.

The Company's remuneration philosophy ensures a comprehensive and transparent remuneration strategy that drives a high-performing culture by supporting the delivery of the business strategy aligned with shareholder value in a sustainable and ethical manner and optimising employee experience ("EX").

The Remuneration and Nomination Committee ("RemCo") is responsible for ensuring the Company's remuneration arrangements are fair, responsible and aligned with the interest of its shareholders.

In determining remuneration that will effectively achieve the goals of the GET strategy, we consider a range of internal and external factors. These include macro-economic conditions, Company performance, business and HR strategy, organisational culture, diversity and inclusion, industry performance and input from our stakeholders, particularly the votes of our shareholders on the remuneration policy and implementation report at the AGM.

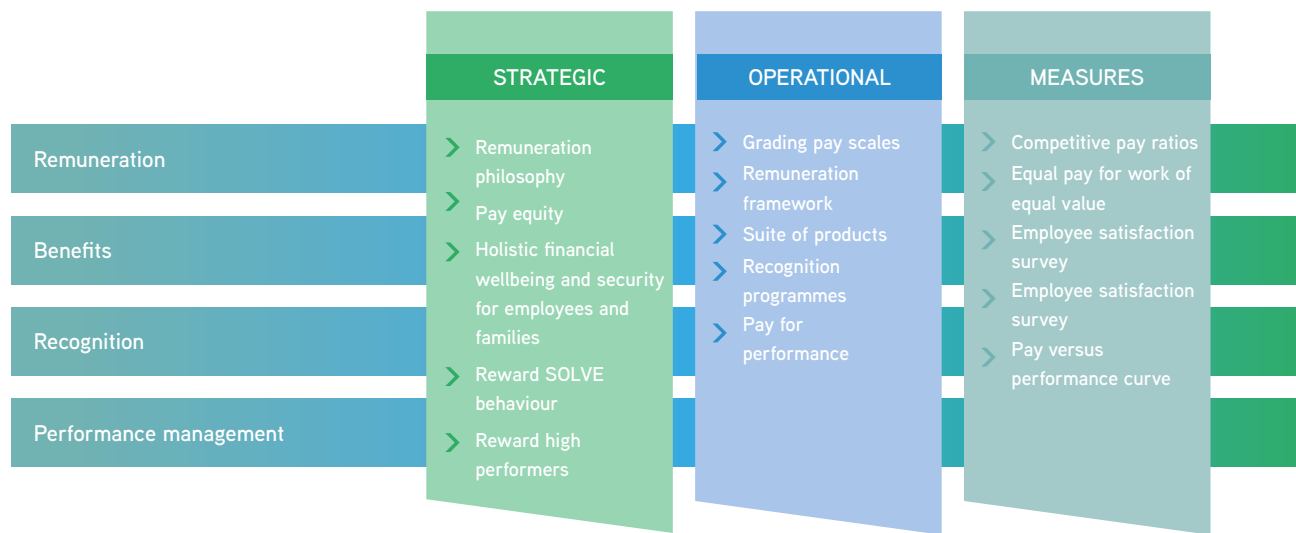
The Company's approach to reward is holistic, with the remuneration policy and remuneration framework providing a standardised remuneration governance structure in the Company that serves as a foundation to our employment ethos underpinned by the Company's strategy. The different operating entities in the Company have performance measures and incentives for employees that are relevant for the entity and the Company, aligning individual key performance indicators ("KPIs") with the overall achievement of business strategy.

The EOH Board is committed to engaging with shareholders in the event that the remuneration policy or implementation report, or both, are voted against by 25% or more of the votes exercised.

RemCo is satisfied that the remuneration policy, as further detailed in this report, achieved its objectives during the year.



Remuneration Report *continued*



Director and HR Director, engaged with shareholders to ascertain the reasons for dissenting votes against the adoption of the EOH 2020 Share Plan. As an outcome of the engagements, it was confirmed that the proposed EOH 2020 Share Plan lacked sufficient transparency on the performance targets and criteria, potential share dilution on settlement, malus and clawback principles.

In the context of the shareholder feedback and the Board's commitment to review employee retention schemes, Khokhela Remuneration Advisors was appointed to assist with the detailed review of the proposed EOH new Share Plan in conjunction with the Remuneration and Nomination Committee. In addition, Deloitte made recommendations regarding the net settlement methodology to minimise the dilution of shareholders on settlement of awards made in terms of the Share Plan and provided an opinion on the tax and accounting implications. It was the Company's intention to propose the revised Share Plan at the 3 December 2021 AGM, but the decision was taken to first undertake a holistic review of EOH's remuneration policies and practices so that any new Share Plan falls within EOH's overall and synergised remuneration strategy and policies. 21st Century was appointed to review the current remuneration policy, STI, as well as the proposed new Share Plan. The new remuneration policy is summarised below. As part of the Company's commitment to strengthening its relationships with all stakeholders, EOH decided, rather than to wait for shareholders to respond to an invitation to submit comments, to proactively engage with shareholders via a roadshow preceding the upcoming AGM. EOH believes that the Share Plan has now passed all governance scrutiny checks, and the revised 2022 Share Plan will be put to shareholders for consideration and approval at the upcoming AGM and will be implemented should the requisite shareholder approval be obtained.

Based on its review of the Company and its key employees, the RemCo considers 21st Century, Khokhela Remuneration Advisors and Deloitte to be independent and objective.

The Company remains committed to engaging with shareholders to seek and incorporate feedback as appropriate to refine and enhance remuneration practices and programmes on an ongoing basis, consistent with our corporate objectives and strategy.

Ongoing engagement with shareholders

At the AGM on 20 January 2021, the Company did not receive the requisite favourable 75% vote for the remuneration policy. The results of the voting at the previous two AGMs were as follows:

	3 December 2021		20 January 2021	
	For	Against	For	Against
Remuneration policy	51.84%	48.16%	70.65%	29.35%
Implementation report	71.55%	28.45%	84.55%	15.45%

During the 20 January 2021 AGM, shareholders voted as follows on the adoption of the EOH 2020 Share Plan and the authorisation to issue shares in terms of section 41(1) of the Companies Act in respect of the EOH 2020 Share Plan:

	20 January 2021	
	For	Against
Ordinary resolution number 6: Adoption of the 2020 EOH Share Plan	73.57%	26.43%
Special resolution number 3: Authorise the issue of shares in respect of the EOH 2020 Share Plan	73.66%	26.34%

As a consequence of not obtaining the requisite 75% vote for the remuneration policy, the adoption of the EOH 2020 Share Plan and the authorisation to issue shares for the EOH 2020 Share Plan, the Chairperson of the RemCo, together with the Company Financial



Remuneration Report *continued*

Remuneration key matters considered

In 2022, the RemCo considered and approved the following remuneration matters:

- Strengthen governance principles in the remuneration policy with reference to fair and responsible remuneration;
- External reviews of remuneration policy, STI and proposed new LTI;
- Internal benchmarking and high-level pay inequalities identified to be addressed in a phased and continually improving manner;
- External benchmarking and competitiveness;
- Internal pay scales and implementation strategy;
- Enhanced EVP;
- Remuneration policy;
- FY2023 salary increase principles and mandate;
- FY2022 short-term incentive awards; and
- Proposed 2022 Share Plan salient features.

More information on the composition of the RemCo, attendance, other key areas of focus during the year, and focus areas for the year ahead are available in the Remuneration and Nomination Committee Report on page 109.

The Remuneration and Nomination Committee is satisfied that the remuneration policy, as further detailed in this report, achieved its objectives during the year.

Remuneration policy

The remuneration policy aims to support the achievement of business strategy, shareholder requirements, optimising employee experience (“EX”) by attracting, rewarding, and retaining the best possible talent for the business. The policy ensures fairness and internal equity through a standardised remuneration governance structure that is applied to all remuneration elements and incentive-related practices and decisions. It aligns individual performance to business objectives and drives a high-performing business culture while ensuring that the remuneration framework

aligns with industry benchmarks. In addition, the policy promotes an ethical culture and responsible corporate citizenship within all of the Company’s activities and drives financial and non-financial business imperatives in a sustainable manner. The new policy contains many “vanilla” provisions that one would expect to find in any comprehensive remuneration policy that applies sound and generally accepted market-governance practices, and so we focus on the changes, improvements, and how this new policy is fit for EOH’s needs.

EOH grew rapidly through acquisitions, with acquirees targeted because of their entrepreneurial culture and thus EOH ended up with a plethora of different remuneration structures and practices. By 2019, EOH operated through 272 legal entities.

Through our strategic evaluation and restructuring process, this has been significantly reduced to 112 entities. As part of our strategy, these businesses, while being unique, operating in different environments, and having different people needs, are part of a conglomerate with strategically aligned businesses. It is not possible to have a “one-size-fits-all” approach to remuneration, and thus, the most important change in our remuneration policy is that remuneration structures will vary to enable fulfilment of our values of authenticity, partnership, adaptability, ingenuity, and mastery.

In this context, from both an internal equity, as well as an external market position, it is total reward (guaranteed pay + short-term incentives + long-term incentives) that will serve as the market reference and benchmark base. To cater for the different businesses’ strategic needs, the targeted mix between these three elements of remuneration will be differentiated, but the combined outcome will be a targeted benchmark.

The salient “differentiating” features of the proposed new policy are as follows:

- Reward is linked to value created, contribution and performance, and not to effort;
- Remuneration packages (guaranteed and variable) will be industry-specific rather than continuing with a “one-size-fits-all” approach;
- Risk management is a cornerstone of all reward structures;
- Performance metrics will be demanding, sustainable and balanced;
- Our values and the strictest governance principles are rigorously applied;
- Total earnings will be benchmarked to the relevant competitive market at the market median, with upper quartile reward resulting from the delivery of superior performance;
- Principles of equal pay for work of equal value are applied;
- Remuneration is linked to, and balanced with, shareholder returns, and is transparent and aligned with long-term and sustainability strategies of the business;
- We apply the principle that fixed remuneration is earned for “doing a job” and variable remuneration is earned for “doing more than the job”. Variable remuneration is thus linked to three levels of performance:
 - › Threshold – fixed pay has been earned, and the minimum performance required for earning variable remuneration;
 - › Target – the performance level where target incentives are earned; and
 - › Stretch – the performance level where maximum/capped incentives are earned.



Remuneration Report *continued*

FAIR REMUNERATION	RESPONSIBLE REMUNERATION
<ul style="list-style-type: none"> ➤ Rational, objective and consistent ➤ Committed to addressing unfair and/or unjustifiable remuneration differentials ➤ Impartial, free from discrimination, self-interested, prejudice or favouritism 	<ul style="list-style-type: none"> ➤ Approval of remuneration decisions by the appropriate authority ➤ Discourage inappropriate risk-taking ➤ Internal and external stakeholders are provided with evidence of the linkage between remuneration and value creation in the remuneration report ➤ Variable remuneration is contingent on and correlates with the achievement of set performance and value creation ➤ Performance metrics aligned with EOH's short-, medium- and long-term value creation and sustainability strategy

The Company's approach to fair and responsible remuneration

Remuneration across the Company is designed to reward within the income range associated with the applicable job profile and in accordance with market trends, qualifications, experience, knowledge, and performance of the employee. Remuneration is structured in a manner that is fair and responsible and takes into account levels of responsibility, accountability, competencies, institutional IP, performance and scarcity of skills.

The Company uses salary benchmarks to determine market relatedness. Annual benchmarking is conducted against comparable firms in the market to assess market competitiveness and forms a primary input into the annual salary review process, which is, in all instances, subject to affordability and the sustainability of the Company's remuneration practices.

Salaries are reviewed each year in the context of macro-economic factors, including consumer price index, market and trading

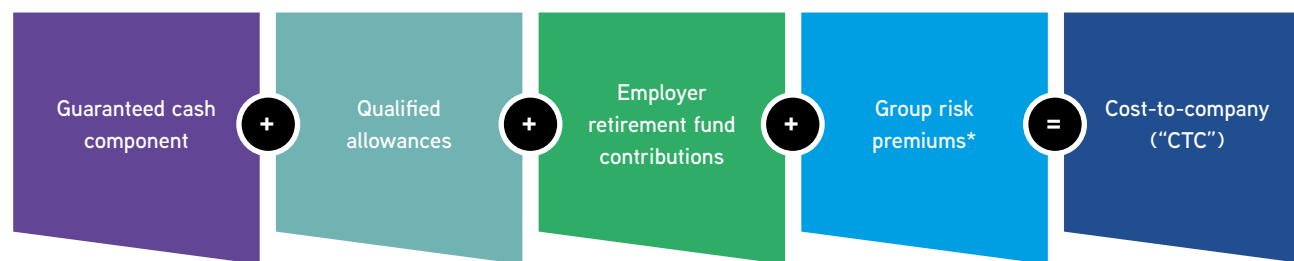
conditions, skills shortages in specific areas, and salary surveys/benchmarks. Increases are considered based on market information, organisational performance, affordability, and changes in scope and roles. Increases are recommended by business unit leaders and approved by the Line of Business Executive, with line of sight provided to the Company CEO.

The Company CEO, CFO, and CRO are employed in executive employment contracts with a notice period of three months. All directors sign restraint of trade agreements for a minimum period of 12 months following their resignations as directors. There are no obligations in the executive employment contracts that give rise to payments on termination of employment or office.

We measure performance against our strategic objectives by monitoring predefined KPAs on a biannual basis. A malus and

Guaranteed package

The Company's cost-to-company approach provides employees with flexibility and choice regarding compulsory benefits. The cost-to-company structure includes:



Cost-to-company is guaranteed and usually paid irrespective of Group performance. The Company seeks to offer competitive remuneration relative to its peers, and internal pay-scale medians are set at or as close to the local appropriate market median as possible while considering affordability.

To ensure aligned and suitable remuneration competitiveness, a review of salaries is conducted annually, taking into account an employee's performance, positioning in the salary scale and pay equity. Annual increase guidelines are presented to the RemCo for review and signoff, and any resultant increase is effective from 1 August each year.

clawback policy has been approved and implemented. This policy is designed to give the RemCo the ability to adjust or clawback any incentives paid as part of short or long-term incentives as a result of a breach of a material obligation such as a material misstatement of financials or a breach of the code of conduct that gives rise to reputational damage or legal action.

The full remuneration policy will be made available on our website at www.eoh.co.za once the EOH 2022 Share Plan has been approved and the remuneration policy has been updated accordingly.

Total remuneration

Total remuneration comprises the sum of:

- guaranteed fixed remuneration;
- short-term incentives ("STIs"); and
- long-term incentives ("LTIs").

Pay positioning above the maximum of the internal scale may apply for those who hold scarce and critical skills. A market premium or allowance is paid for skills in absolute demand in the Company. As business evolves and skills requirements or availability may change, critical jobs and scarce skills are reviewed annually.

In rare instances, below-median remuneration is provided for people who display high-performance but are new to their role and still need to grow fully into the role.



Remuneration Report *continued*

Total pay mix

A market-related pay mix is assigned to each job grade and split into guaranteed, STI and LTI elements. The ultimate aim of the pay mix is to find the best pay mix that will enable the recruitment and retention of talent while meeting the Company's economic performance objectives.

The STI and LTI percentage by job grade, is inter alia, dependent on the line of sight, influence, and accountability of the grade. LTIs are generally equity-settled but can be cash-settled with the approval of the RemCo, while STIs are generally cash-settled.

Set out below is the targeted pay mix for Executive Directors under threshold, target and stretch/maximum performance.

Short-term incentives ("STI plan")

The short-term incentive plan is designed to reward eligible employees for achievement against pre-determined KPIs during the year. It reinforces the alignment of individual KPIs with the overall achievement of the business strategy. Divisional executives, senior managers, and key employees may be selected by the EOH Board to be participants in the STI.

Executive Directors

Based on outcomes required by Board, the following FY2022 key performance areas were agreed upon for the Executive Directors:

	KPA weightings		
	CEO	CFO	CRO
Bank debt restructuring complete and rights issue closed Adjusted EBITDA cash conversion ratio greater than 80% (excluding cash outflows on legacy ring-fenced issues) Operating profit margin > 2% Meet the normalised PAT targets as budgeted for 2022	40%	40%	20%
Tetris project executed on and significant progress made Z Scaler rolled out ERP goes live Shared services up and running	20%	20%	20%
Show improved performance year-on-year against FY2020 baseline EVP result Talent management in place across the organisation Retain level 1 B-BBEE rating Maintain race and gender diversity year-on-year Implement sustainability strategy STI and LTI in place by year end	20%	20%	30%
90% completion on compliance training and declarations Improvement shown on critical risk items identified Accurate and timeous close out on audit findings	20%	20%	30%
Total	100%	100%	100%

Targets are set at threshold (80%), on-target (100%) and stretch (120%) and will be applicable on each KPA and will be tallied per KPA to give the average achievement.



Remuneration Report *continued*

Governance, risk and compliance gatekeeper

In line with good governance and corporate processes, employees must meet all of the following requirements, otherwise no incentive is payable:

- Full compliance to all Company policies ensured within the employee’s business area, including, but not limited to, bid processes, disclosures, and signoff requirements. A final determination is made by the Company CEO and CRO regarding policy non-compliance based on the degree of negligence/wilful blindness by the employee, taking into account any appropriate remediation taken by the employee to intervene or stop negligence or non-policy compliance by the relevant employee or other employees (where applicable);
- All GRC compulsory training completed on time in the relevant LMS Portal; and
- All attestations completed and updated on the GRC portal, including those of direct employees (where applicable).

STI payments

Payments in respect of the STI that have passed the GRC gatekeeper are subject to overall EOH business performance and RemCo approval. In addition, the employee:

- must be in the employ of the Company at the time that the incentive falls due for payment;
- must not be subject to any disciplinary action, misconduct, or forensic investigation;
- must not be subject to any enquiry relating to poor work performance; and
- must not have had their employment terminated or be in the process of serving their notice period.

Long-term incentive plans (“LTIs”)

LTIs aim to align divisional executives and management with the interests of the Company, to attract, retain, motivate and reward excellent performance by employees who are able to influence the performance of members of the EOH Group or divisions on the basis that aligns their interests with those of EOH shareholders and the business’s strategy. Eligibility to participate in an LTI is limited to divisional executives, senior managers and key employees selected by the EOH Board to be participants in the LTI.

Historic LTI schemes

The Company has historically had three share schemes, the EOH Holding Company Share Participation Scheme (“EOH Share Trust”), the Mthombo Trust and the Share Ownership Plan 2018 (“2018 SOP”). Awards under these schemes have terminated and information is provided only for the sake of completeness.

The EOH Share Trust

The last award made by the EOH Share Trust was in October 2018 and is expected to complete vesting in 2023. The EOH Share Trust will not form part of the future remuneration structure and will be terminated once the last award vests.

The Mthombo Trust

The last award was made in 2018 and is expected to conclude vesting in FY2023. The Mthombo Trust is not likely to form part of the future remuneration structure.

The 2018 SOP – to be replaced by the EOH 2022 Share Plan

The last awards under the scheme were made during FY2020, to employees whose salaries were reduced by 25% for three months to manage the Company’s liquidity and sustainability due to COVID-19. No awards were made under the scheme in 2021 or 2022 because of the planned introduction of a new EOH Share Plan in 2020 that didn’t occur.

The Interim Cash-Based Unit LTI (“CBLTI”)

Because of the delayed implementation of the EOH Share Plan, in order to mitigate the risk in relation to retention, an interim cash-based LTI scheme was approved by RemCo in December 2021.

The CBLTI is a cash-based scheme that will serve as an interim measure until the proposed 2022 Share Plan is approved. As at 31 July 2022, no awards have been made under the scheme, although the Company has committed to making awards of quanta that would have been made under the 2022 Share Plan had it been in place for FY2021 and FY2022. Awards will vest three years after the effective award date, subject to both service and performance conditions. The value per CBLTI unit is the 10-day volume weighted average price of an EOH share on the JSE on the effective award date.

The CBLTI is summarised as follows:

$$\text{LTI Vesting} = \text{Individual CTC} \times \text{LTI Award \%} \times \text{Weighted Performance Score}$$

Individual CTC	LTI award %	Weighted performance score
Actual for the year	CEO: 70% CFO and CRO: 60% Other executives: 12.5%	<ul style="list-style-type: none"> Return on invested capital – 25% weighting Headline earnings per share – 25% weighting Adjusted EBITDA cash conversion ratio – 25% weighting Transformation – 15% weighting Skills development – 10% weighting

The proposed EOH 2022 Share Plan

Following the review of the Company’s existing incentive schemes and the previously proposed EOH 2020 Share Plan (“Share Plan”), a new conditional performance share plan has been designed, which will be adopted subject to shareholder approval at the AGM on 13 December 2022.

EOH’s remuneration policy governs awards to eligible employees and remuneration framework, taking into consideration, inter alia, an employee’s status, role, current remuneration, and the desired pay mix at vesting for on-target performance. The malus and clawback policy gives the Remuneration and Nomination Committee the ability to adjust or clawback any incentives paid as part of STI or LTI as a result of a breach of a material obligation.



Remuneration Report *continued*

In summary, the salient features of the proposed Share Plan are set out below:

Salient feature	Description																														
Eligibility	At RemCo’s discretion, any executive, senior manager, manager and/or key employee of any employer company, including any Executive Director holding salaried employment or office, may be elected to participate in the Share Plan.																														
Target setting	<p>* <i>Performance share vesting matrix:</i></p> <p>Below threshold – 0% vesting Threshold – 25% vesting On-target – 100% vesting Stretch – capped at 200% vesting</p> <p>* <i>Percentages for vesting are based on the desired (market) pay mix at vesting. Quantum awarded is a % of the cost-to-company which will result in the desired pay mix at vesting for on-target performance.</i></p>																														
Performance criteria	<p>The performance criteria to govern the vesting will be determined annually for each award.</p> <p>The RemCo, in consultation with the Board, will set appropriate performance conditions and performance periods, as relevant, for each performance award, taking into account the business environment at the time of making the award.</p> <p>The following performance criteria for FY2023 will apply:</p> <table border="1"> <thead> <tr> <th>Performance measure</th> <th>Weighting</th> <th>Threshold (25% vesting)</th> <th>Target (100% vesting)</th> <th>Stretch (200% vesting)</th> </tr> </thead> <tbody> <tr> <td>Growth in headline earnings per share (“HEPS”) relative to CPI</td> <td>25%</td> <td>CPI + 2%</td> <td>CPI + 3%</td> <td>CPI + 4%</td> </tr> <tr> <td>Return on invested capital in excess of weighted average costs of capital (“WACC”)</td> <td>25%</td> <td>WACC</td> <td>WACC + 2%</td> <td>WACC + 4%</td> </tr> <tr> <td>Earnings before interest, taxes, depreciation and amortisations (“Adjusted EBITDA”) to operating cash conversion</td> <td>25%</td> <td>70%</td> <td>80%</td> <td>90%</td> </tr> <tr> <td>Transformation</td> <td>15%</td> <td>15 points</td> <td>16 points</td> <td>17 points</td> </tr> <tr> <td>Skills development</td> <td>10%</td> <td>16 points</td> <td>18 points</td> <td>20 points</td> </tr> </tbody> </table> <p>As an overarching performance condition aligned to good governance, all compulsory Group risk and compliance training and attestation are required to be completed.</p>	Performance measure	Weighting	Threshold (25% vesting)	Target (100% vesting)	Stretch (200% vesting)	Growth in headline earnings per share (“HEPS”) relative to CPI	25%	CPI + 2%	CPI + 3%	CPI + 4%	Return on invested capital in excess of weighted average costs of capital (“WACC”)	25%	WACC	WACC + 2%	WACC + 4%	Earnings before interest, taxes, depreciation and amortisations (“Adjusted EBITDA”) to operating cash conversion	25%	70%	80%	90%	Transformation	15%	15 points	16 points	17 points	Skills development	10%	16 points	18 points	20 points
Performance measure	Weighting	Threshold (25% vesting)	Target (100% vesting)	Stretch (200% vesting)																											
Growth in headline earnings per share (“HEPS”) relative to CPI	25%	CPI + 2%	CPI + 3%	CPI + 4%																											
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Earnings before interest, taxes, depreciation and amortisations (“Adjusted EBITDA”) to operating cash conversion	25%	70%	80%	90%																											
Transformation	15%	15 points	16 points	17 points																											
Skills development	10%	16 points	18 points	20 points																											
Performance period	Not earlier than three years from the award date.																														
Dividend rights	Awards have rights to dividend equivalents on vesting and is an amount equal to the normal dividends that the Company would have paid in respect of each share during the period from the award date to the vesting date multiplied by the number of vested shares. RemCo has the prerogative to determine the manner of settlement of the dividend equivalents, ie whether to settle in cash equal to the number of shares, or in shares.																														
Settlement	Net settlement method.																														



Remuneration Report *continued*

The settlement of vested shares is envisaged to be net-settled in equity, although the Share Plan does allow for either equity or cash settlement at the RemCo’s discretion. Equity settlement can be via allotment and issue of new shares, the allocation of treasury shares, and/or the acquisition of shares in the open market on behalf of participants. RemCo’s selection of the settlement method

together with the net settlement method will aim to minimise equity dilution when settling the Share Plan as far as possible.

The maximum number of shares in aggregate to be acquired by participants over the duration of the Share Plan is not to exceed 8.8 million shares, currently representing approximately 5% of

EOH’s issued share capital, and for any one participant, not to exceed 1.7 million shares, currently representing approximately 1% of the issued share capital.

Termination of employment

Treatment of benefits under the proposed scheme in the event of termination of employment depends on whether the termination is a ‘no-fault’ or ‘fault’ termination, as shown in the table below:

Definition	No-fault termination	Fault termination
	<p>No-fault termination is the termination of employment of a participant by reason of:</p> <ul style="list-style-type: none"> death; injury, disability or ill health, in each case as certified by a qualified medical practitioner nominated by the relevant employer company; dismissal based on operational requirements as contemplated in the Labour Relations Act 66 of 1995; or disinvestment of the employer company or retirement on or after the retirement date. <p>In addition, the Company may, in its sole and absolute discretion, determine at the relevant time a specific reason(s) that constitute(s) ‘no-fault determination’</p>	<p>Fault termination of employment by reason of:</p> <ul style="list-style-type: none"> misconduct; poor performance; other dismissible offence; or resignation by the participant.
Benefits in terms of the conditional performance shares	Performance shares will be pro-rated for the time period until the termination date, and be further adjusted by a performance factor, which RemCo in its discretion apply relating to EOH’s performance as at the termination date.	All conditional performance shares will be forfeited.

Malus and clawback

To further align the interests of shareholders with executives, a formal malus and clawback policy was approved and adopted in July 2021 and applied to all incentives in the Company. The right to invoke clawback is applicable for a period of two years after the payment of any STI or settlement of any LTI awards.

The RemCo, in its discretion, shall be entitled to recoup settled and/or paid incentives (clawback) in full or part of and reduce or cancel any unpaid, unvested and unsettled incentives (malus) when trigger event(s) occur. A trigger event is an incident or action of an employee that impacted negatively on or caused reputational damage to the Company, such as:

- there has been misbehaviour or material error by a participating employee or where the actions or conduct of an employee, in the reasonable opinion of the RemCo, have resulted in reputational damage to the Company;

- the Company suffers a material downturn in financial performance or a material failure of risk management;
- awards have been based on misleading statements and/or material misstatements of the Company’s financial results, or information arises which would have caused benefits to lapse or would have resulted in the RemCo exercising its discretion differently had the information been known at the time;
- the Company has suffered a material financial loss as a result of actions or circumstances attributable directly to an employee or which could have been avoidable by the reasonable actions of an employee;
- an act or omission of a participant, which in the reasonable opinion of the RemCo amounts to serious misconduct;

- an event or behaviour involving, or attributable to, a participant (and, for the avoidance of doubt, any previous participant) who has received an award in the past and has received any shares or cash as a result of such past award which has led or may reasonably lead to censure under laws, regulations or rules of any stock exchange or other applicable regulatory authority applicable to any Group entity; and/or
- RemCo, at its discretion, deems it necessary to apply malus and clawback.



Remuneration Report *continued*

Non-executive Director remuneration

Non-executive Directors sign engagement letters with the Company, which set out their duties and remuneration terms. The term of office of Non-executive Directors is governed by the MoI, which provides that one-third of directors retire by rotation.

The remuneration of Non-executive Directors is based on proposals from RemCo, which are submitted to the Board for approval. The committee annually reviews Non-executive Director remuneration and makes recommendations to the Board for approval, which is subsequently tabled at the AGM for approval.

The fees of the Non-executive Directors are considered annually and determined in light of market benchmarks and with reference to the commitment and responsibilities associated with the role. Each Non-executive Board member receives a fixed annual retainer and fixed fee per meeting. An additional hourly fee is paid for unscheduled meetings if the meeting lasts less than three hours, or a full meeting fee if the meeting lasts longer than three hours (excluding the chairperson and the lead independent Non-executive Director). The Non-executive Directors' remuneration is paid quarterly in arrears.

Expenses, such as travel and accommodation in relation to normal Board activities, as well as any relevant training, are reimbursed.

Non-executive Directors are specifically excluded from participation in any STI and LTI schemes of the Company.

There are no post-retirement benefits for Non-executive Directors.

Implementation report

The implementation report details the outcome of implementing the approved remuneration policy and framework during the year under review. The remuneration policy and framework were implemented across the Company at all levels, rewarding excellent performance to ensure the retention of key talent and high performers while appropriately addressing poor performance.

Remuneration disclosure of the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Chief Risk Officer ("CRO") and Non-executive Directors' remuneration:

Executive Directors

2022 guaranteed pay

The independent benchmark data obtained from 21st Century in October 2020 for the CEO's guaranteed remuneration, STI and LTI were considered. The benchmark was based on the following organisation parameters:

- the type of organisation (industry and structure);
- financial parameters;
- number of employees;
- number of core businesses; and
- the number of locations and geographical areas operated in.

Further benchmark data obtained from the Willis Towers Watson Executive Compensation Multi-Nationals Customer Executive survey and the High-Tech Willis Towers Watson industry-specific survey was also considered.

It should be noted that due to the tough economic environment, no increases in guaranteed pay were awarded to Executive Directors in FY2022. However, as part of the strategy to reduce the wage gap, increases of an average of 3% were awarded to other staff.

The following levels of guaranteed pay applied to the Executive Directors:

Targets are set at threshold (80%), on-target (100%) and stretched (120%) and will be applicable on each KPA and tallied per KPA to give the average achievement.

The table below shows the extent to which the Executive Directors met the performance measure targets for FY2022:

Stephen van Coller (CEO)

Key performance area ("KPA")	KPA weighting (%)	Award opportunity (R'000)	STI award (R'000)
Financial performance	30	R1 500	R1 155
Business sustainability	20	R1 000	R750
Social goals (EOH)	30	R1 500	R1 275
Governance and risk	20	R1 000	R1 000
Total	100	R5 000	R4 180

Executive Director	2022	2021
Stephen van Coller (CEO)	R10 000 000	R10 000 000
Megan Pydigadu (CFO)	R6 750 000	R6 750 000
Fatima Newman (CRO)	R6 150 000	R6 150 000

2022 STI performance and pay

In accordance with the malus/clawback clause set out in the remuneration policy, any incentive will be subject to the executive guaranteeing and undertaking that they have not been involved personally, whether directly or indirectly, nor involved EOH in any incident or action that might impact negatively or cause reputational damage to the Group. All incentives are subject to the provisions as set out on the malus and clawback policy.

Taking into account the market benchmarks values and zero increase in guaranteed remuneration, the following on-target STI potential was awarded and approved by the Board and RemCo:

Executive Director	2022	2021
Stephen van Coller (CEO)	R4 180 000	R4 539 000
Megan Pydigadu (CFO)	R1 859 000	R2 049 000
Fatima Newman (CRO)	R1 710 000	R2 030 000



Remuneration Report *continued*

Megan Pydigadu (CFO)

Key performance area ("KPA")	KPA weighting (%)	Award opportunity (R'000)	STI award (R'000)
Financial performance	30	R675	R520
Business sustainability	30	R675	R506
Social goals	20	R450	R383
Governance and risk	20	R450	R450
Total	100	R2 250	R1 859

Fatima Newman (CRO)

Key performance area ("KPA")	KPA weighting (%)	Award opportunity (R'000)	STI award (R'000)
Financial performance	20	R410	R316
Business sustainability	30	R615	R461
Social goals	30	R615	R523
Governance and risk	20	R410	R410
Total	100	R2 050	R1 710

2022 LTI performance and pay

Stephen van Coller (CEO)

On joining EOH as CEO on 1 September 2018, Stephen van Coller was awarded 1 000 000 share options through The EOH Share Trust at a strike price of R19. At the time the employment contract was concluded, Stephen van Coller was faced with a business in distress as a result of unresolved corruption issues, which led to the EOH share price dropping significantly. It is estimated that the realisable value of the 1 000 000 share options over the next two years will have a zero value.

During FY2020, 452 830 conditional performance shares were awarded on 19 December 2019 at a price of R13.25 per share. These shares vest in four equal tranches equally on 1 August 2021, 2022, 2023 and 2024, respectively, based on continued employment and share price performance on each vesting date.

During FY2021 and FY2022, no LTI awards were made as awards were subject to the approval of the EOH 2020 Share Plan. Unfortunately, the requisite 75% vote for the authorisation to issue shares for the EOH 2020 Share Plan was not obtained. If the EOH 2020 Share Plan had been approved, performance shares with a face value of R6 600 000 would have been awarded in each of the FY2021 and FY2022 financial years.

Post year end, the awards of R6 600 000 were made under the CBLTI – the FY2021 award at an underlying EOH share price of R4.76 and the FY2022 at an underlying EOH share price of R6.64.

Megan Pydigadu (CFO)

Megan Pydigadu was awarded 62 021 conditional performance shares on joining EOH as CFO in FY2019, which were granted on 15 January 2019. These shares will vest in four equal tranches on 15 January 2021, 2022, 2023 and 2024 respectively, and consequently, 15 501 shares vested in FY2022.

During FY2021 and FY2022, no LTI awards were made as awards were subject to the approval of the EOH 2020 Share Plan. Unfortunately, the requisite 75% vote for the authorisation to issue shares for the EOH 2020 Share Plan was not obtained. If the EOH 2020 Share Plan had been approved, performance shares with a face value of R3 000 000 would have been awarded in each of the FY2021 and FY2022 financial years.

Post year end, the awards of R3 000 000 were made under the CBLTI – the FY2021 award at an underlying EOH share price of R4.76 and the FY2022 at an underlying EOH share price of R6.64.

Fatima Newman (CRO)

During FY2021 and FY2022, no LTI awards were made as awards were subject to the approval of the EOH 2020 Share Plan. Unfortunately, the requisite 75% vote for the authorisation to issue shares for the EOH 2020 Share Plan was not obtained. If the EOH 2020 Share Plan had been approved, performance shares with a face value of R3 000 000 would have been awarded in each of the FY2021 and FY2022 financial years.

Post year end, the awards of R3 000 000 were made under the CBLTI – the FY2021 award at an underlying EOH share price of R4.76 and the FY2022 at an underlying EOH share price of R6.64.



Remuneration Report *continued*

Unvested awards and cash flow

Number of unvested options/shares

Executive Directors	Scheme	Award date	Number awarded	Award price	Opening balance 1 August 2021	Granted during FY2022	Vested during FY2022	Forfeited during FY2022	Closing balance 31 July 2022	Fair value 31 July 2022	Exercised during FY2022	Exercise price	Un-exercised and un-vested balance as at
Stephen van Coller (CEO)	*Share Trust	13 November 2018	1 000 000	R19.00	750 000	–	250 000	–	500 000	–	–	–	1 000 000
	**Share Ownership Plan	19 December 2019	452 830	R13.25	452 830	–	113 207	–	339 624	R1 687 929	113 207	R7.80	339 623
Subtotal										R1 687 929			
Megan Pydigadu (CFO)	**Share Ownership Plan	15 January 2019	62 021	R32.25	46 515	–	15 505	–	31 010	R154 118	15 505	R6.70	31 011
Subtotal										R154 118			
TOTAL										R1 842 047			

* The EOH Share Trust.

** The 2018 Share Ownership Plan (2018 SOP).

No payments were made on termination of employment or office during the year.

Tables of FY2022 single total figure of remuneration

Stephen van Coller (appointed 1 September 2018)						
Awarded for 2022		2022	2021	Single figure remuneration for 2022		2021
1	Fixed remuneration	R10 000 000	R10 000 000	1	Fixed remuneration	R10 000 000
	TERS payment	–	R6 638		TERS payment	R6 638
2	Short-term incentives (“STI”)	R4 180 000	R4 539 000	2	Short-term incentives (“STI”)	R4 539 000
3	LTI awarded	–	–	4	LTI vested	–
	Total reward	R14 180 000	R14 545 638		Total reward	R14 545 638

¹ Cost-to-company, which includes a guaranteed fixed salary and benefits.

² STI payable FY2022, which is derived from the performance for the year ended 31 July 2022, subject to Board approval.

³ No LTI in place under which to make an award – commitment of R6 600 000 made for each of FY2021 and FY2022.

⁴ On 13 November 2021, 250 000 share options were exercisable. As the strike price was R19.00 per option, the realisable value was zero. On 19 December 2021, 113 207 shares were exercised at a price of R7.80 per share.



Remuneration Report *continued*

Megan Pydigadu (appointed 15 January 2019)

Awarded for 2022		2022	2021	Single figure remuneration for 2022		2022	2021
1	Fixed remuneration	R6 750 000	R6 750 000	1	Fixed remuneration	R6 750 000	R6 750 000
	TERS payment	—	R6 638		TERS payment	—	R6 638
2	Short-term incentives ("STI")	R1 859 000	R2 049 000	2	Short-term incentives ("STI")	R1 859 000	R2 049 000
3	LTI awarded	—	—	4	LTI vested	R103 884	R144 197
Total reward		R8 609 000	R8 805 638	Total reward		R8 712 884	R8 949 835

¹ Cost-to-company, which includes a guaranteed fixed salary and benefits.

² STI payable FY2022, which is derived from the performance for the year ended 31 July 2022, subject to Board approval.

³ No LTI in place under which to make an award – commitment of R3 000 000 made for each of FY2021 and FY2022.

⁴ On 15 January 2021, 15 505 shares were exercised at a share price of R6.70 per share.

Fatima Newman (appointed 31 July 2019)

Awarded for 2022		2022	2021	Single figure remuneration for 2022		2022	2021
1	Fixed remuneration	R6 150 000	R6 150 000	1	Fixed remuneration	R6 150 000	R6 150 000
	TERS payment	—	R6 638		TERS payment	—	R6 638
2	Short-term incentives ("STI")	R1 710 000	R2 050 000	2	Short-term incentives ("STI")	R1 710 000	R2 030 000
3	LTI awarded	—	—	4	LTI vested	—	—
Total reward		R7 860 000	R8 186 638	Total reward		R7 860 000	R8 186 638

¹ Cost-to-company, which includes a guaranteed fixed salary and benefits.

² STI payable FY2022, which is derived from the performance for the year ended 31 July 2022, subject to Board approval.

³ No LTI in place under which to make an award – commitment of R3 000 000 made for each of FY2021 and FY2022.



Remuneration Report *continued*

Non-executive Director fees

Non-executive Director fees are reviewed by the RemCo and the Board and proposed to shareholders for approval at the AGM. Fees paid to Non-executive Directors during FY2022 are shown in the table below, and the proposed fees for FY2023 are set out in the notice of the AGM.

	Directors' fees FY2022 R'000	Directors' fees FY2021 R'000
Sipho Ngidi	798	833
Jesmane Boggenpoel	853	850
Andrew Mthembu (Chairman)	1 388	1 200
Mike Bosman	1 148	1 220
Andrew Marshall	938	758
Jabu Moleketi	658	543
Nosipho Molope	773	499
Bharti Harie	763	504

Note: Extraordinary Board and/or committee meetings were held during FY2022 which impacted the above Directors' fees.

Compliance with policy

The remuneration disclosure presented in this report is based on remuneration decisions that have been made in compliance with the remuneration policy. There have been no known deviations from the policy in the current financial year.

Remuneration for FY2023

In determining the Executive Directors' remuneration for FY2023, benchmarks that consider the level and complexity of the role, job grade, and organisational parameters such as the size, type, and structure of EOH will be considered.

For the FY2023 year, the STI performance measures and weightings will not significantly differ from FY2022.

Key performance area ("KPA")	KPA weighting
Financial performance	40%
Business sustainability	20%
Social goals	20%
Governance and risk	20%
Total	100%

It is envisaged that LTI allocations will be made under the 2022 Share Plan that is still subject to shareholder approval at the upcoming AGM. Following approval of the 2022 Share Plan, any LTI allocations will be linked to long-term performance measures, weightings, and achievement levels determined by the RemCo and approved by the Board.

As the Executive Directors' share allocation was due on 1 August 2022, the award of shares will not be backdated prior to the approval of the 2022 Share Plan.



Remuneration and Nomination Committee Report

“Reflecting on FY2022, we have come a long way in establishing remuneration practices in EOH that are well-governed, transparent, fair and responsible. Given the diverse workforce and complex business offerings in various industries and regions, we have commenced with foundational principles that can be consistently applied. Our short-term focus will be to embed these practices and we will continue to reward fairly and align to sustainable corporate governance and long-term value creation for all shareholders.”

Focus for 2023

Our primary focus area for the next financial year will mainly be on fair and equitable remuneration and will drive a pay-for-performance philosophy. In accordance with section 6(2) of the Employment Equity Act, a comprehensive analysis on fixed remuneration of employees will be conducted to identify potential unfair pay practices, investigate these occurrences, and conclude on a remedial strategy.

Committee composition

The committee comprises three Independent Non-executive Directors and one Non-independent Non-executive Director. It is chaired by an Independent Non-executive Director.

The membership of the committee is as follows:

- Sipho Ngidi (Chairperson of the committee)
- Mike Bosman
- Bharti Harie
- Jabu Moleketi

Attendees at committee meetings include the Chief Executive Officer, the Chief Financial Officer, the Chief Risk Officer, the HR Executive, the Company Secretary and other persons with specific skills and expertise to assist the committee in discharging its functions.

The number of meetings and attendance per committee member is shown on page 95.

Summaries on pages 88 and 89 provide an overview of the directors' qualifications and experience.

The Board is satisfied that the members of the committee have the necessary skills and experience to enable the committee to fulfil its duties.

Role of the committee

The committee assists the Board in exercising its function to ensure that the Company remunerates its employees fairly, responsibly and transparently by, among others, implementing affordable, competitive and fair reward practices so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

Role and responsibilities – remuneration:

- Ensure that the remuneration policy promotes the achievement of strategic objectives and encourages individual and team performance;
- Annually review the remuneration strategy and policy (including higher-level strategic principles that would inform the policy and implementation thereof) and oversee the implementation of the policy over an annual cycle to ensure its continued relevance;
- Ensure that Executive Directors are remunerated for their contribution to the Company's overall performance, after giving due regard to the interest of the shareholders and to the financial and commercial health of the Company;
- Advise on the remuneration of Non-executive Directors.
- Ensure that the Company remunerates directors, management, and employees fairly, responsibly and transparently and oversees the setting and administering of remuneration at all levels in the Company;



Sipho Ngidi
Chairperson, Nomination and Remuneration Committee



Remuneration and Nomination Committee Report *continued*

- Approve material human resources policies for the EOH Group;
- Approve proposals on new short- and long-term incentive schemes and, where appropriate, make recommendations to the Board for approval by shareholders;
- Oversee the preparation of the Remuneration and Nomination Committee's report, which includes a background statement, the overall remuneration policy and the implementation report, which forms part of the Integrated Report;
- Review the outcome of the implementation of the remuneration policy as to whether the policy promotes the achievement of strategic objectives and encourage individual performance;
- Ensure that the remuneration policy is put to a non-binding advisory vote at the annual general meeting of shareholders once every year; and
- Ensure that the process set out in King IV relating to shareholders' engagement if the remuneration policy or the remuneration report (or both) have been voted against by 25% or more of the voting rights at the annual general meeting of shareholders is followed.

The committee will recommend the necessary improvements to the Board in this regard.

Role and responsibilities – nomination of directors:

- Regularly review the Board and Board committees' skill, knowledge, expertise, structure, size and composition, and make recommendations to the Board with regard to any adjustments and/or appointments and/or establishment that are deemed necessary;
- Establish a formal and transparent procedure for the appointment of directors:
 - › identifying and participating in the selection of suitable candidates to be recommended to the Board for appointment as Executive and Non-executive Directors;

- › reviewing the results of background checks on potential candidates prior to their nomination, taking into account the provisions of sections 69 and 162 of the Companies Act and the recommendations of King IV on Corporate Governance for South Africa, 2016 ("King Code") relating to the attributes of directors in general; and
- › make recommendations to the Board on the appointment, removal, and resignation of Executive and Non-executive Directors;
- Review and report to the Board on the adequacy of the succession planning policies for the Board Chairman, Chief Executive and Executive Directors;
- Identify individuals qualified to be elected as members of the Board and Board committees and recommend such individuals to the Board for appointment in terms of the Company's Mol and establish a procedure to ensure that the selection of individuals for such recommendation is transparent;
- Annually review the independence of Non-executive Directors, taking into account all applicable corporate governance requirements and make recommendations to the Board;
- Ensure that directors undergo proper onboarding/induction.
- Ensure that directors receive ongoing training as and when required; and
- Assist the Chairperson and the Board in evaluating the performance of the Board, its committees and individual directors.

Terms of service Executive Directors

- The minimum terms and conditions applied to South African Executive Directors are governed by legislation. The notice period for these directors is three months. In exceptional situations of termination of the Executive Directors' services, the Remuneration Committee (assisted by independent labour law legal advisers) oversees the settlement of terms;

- Executive Directors are permitted to serve as Non-executive Directors on one other public company board with the express permission of the Chief Executive and the Remuneration and Nomination Committee. This excludes directorships where the Company holds a strategic investment in that public company (ie nominee directorship); and
- Fees paid to nominee directors accrue to the Company and not to the individual directors concerned.

Non-executive Directors

- Non-executive Directors are appointed by the shareholders at the AGM. Interim Board appointments are permitted between AGMs. Appointments are made in accordance with Group policy. Interim appointees retire at the next AGM when they may make themselves available for re-election.

Remuneration policy

In line with our commitment to fair and responsible remuneration and governance objectives, the committee reviewed the remuneration policy and practices and is satisfied with its relevance and that remuneration practices were aligned with the policy objectives.

Activities during the year

The committee met four times during the year to discharge its responsibilities.



Remuneration and Nomination Committee Report *continued*

The committee's key focus areas for the 2022 financial year included:

Focus areas	Response
Remuneration	<ul style="list-style-type: none"> A grading system was implemented across the Group to inform pay scales. A subsequent analysis of equal pay for work of equal value was conducted and reviewed by the committee. Internal benchmarking and high-level pay inequalities identified to be addressed in a phased and continually improving manner. External benchmarking and competitiveness. FY2023 salary increase principles and mandate.
Incentive scheme	<ul style="list-style-type: none"> The committee considered a new incentive scheme for executives and senior management, which includes short- and long-term incentives. The long-term incentive is supported by a new share ownership plan detailed in the remuneration report. The committee approved the new share ownership plan. The committee signed off the remuneration policy, including the short- and long-term incentives.
Succession plan	<ul style="list-style-type: none"> The committee reviewed and signed off the succession plan for each of the Executive Committee members. Reviewed and approved the succession plan.
Nomination of directors	<ul style="list-style-type: none"> The committee revised the membership of the Board's committees. The committee satisfied itself in regard to the independence of the Non-executive Directors.

Conclusion

The committee is satisfied that it discharged its responsibilities in accordance with its terms of reference during the year.

Mr Siphon Ngidi

Chairperson, Nomination and Remuneration Committee

26 October 2022



Audit Committee Report

“The Group is showing strong progression towards control maturity as it continues to embed the combined assurance model and concludes the implementation of the target operating model, together with a fit for purpose capital structure.”

Focus areas for 2023

To ensure continuity and stability, the committee will continue its oversight, with specific focus on the following areas:

- Conclude the implementation of the target capital structure;
- Internal control environment and external audit reliance;
- Compliance with regulatory requirements, including JSE requirements, technical IFRS, as well as SARS requirements;
- Group liquidity and solvency;
- Deregistration of legal entities and simplification of the Group; and
- Continued focus on the combined assurance model.

In addition to the above, the committee will continue to monitor the implementation of the new target operating model related to the new ERP, ensuring that the envisaged governance and efficiency improvements are realised.

Committee composition

No resignations or appointments occurred during the financial year. The committee comprised the following independent, Non-executive Directors:

- Mike Bosman (Chairperson of the committee)
- Jesmane Boggenpoel
- Nosipho Molope
- Andrew Marshall

The EOH Audit Committee (“the committee”) is pleased to submit its report for the year ended 31 July 2022, which has been approved by the Board. This report has been prepared in compliance with section 94(7)(f) of the Companies Act and in accordance with the mandate given by the Board.

The number of meetings and attendance per committee member are shown on page 95.

The Board is satisfied that the members of the committee have the necessary skills and experience to enable the committee to fulfil its duties.

The appointment of committee members will be subject to approval by shareholders at the next AGM to be held on 13 December 2022. The biographies of the directors who have made themselves available for election to the committee can be viewed in the AGM notice.

Committee purpose

The main role of the committee is to provide independent oversight of:

- the integrity of the Annual Financial Statements and other external reports issued by the Company; and
- the effectiveness of the organisation’s assurance services and functions, particularly focusing on combined assurance arrangements, the finance function, external assurance service providers and the internal audit function.

Terms of reference

The committee terms of reference remained unchanged in 2022, and are aligned with King IV.



Mike Bosman
Chairperson, Audit Committee



Audit Committee Report *continued*

Meetings

Four meetings of the committee were held during the year under review.

The Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the Chief Risk Officer, the Company Secretary and other members of senior management as required, attend committee meetings by invitation, but have no voting rights.

Similarly, external and internal auditors attend committee meetings by invitation, but have no voting rights.

The Chairperson of the committee reports to the Board at all Board meetings on the activities and recommendations of the committee.

The Chairperson of the committee periodically meets separately with the external auditor and the internal audit executive without members of executive management being present.

Progress on 2022 focus areas

The committee's key focus areas for the 2022 financial year included:

Focus areas	Response
Compliance with regulatory requirements including JSE requirements, technical IFRS, as well as SARS requirements	The Group has obtained an unqualified audit opinion for the third consecutive year, highlighting compliance commitment. Group tax exposures were reviewed as detailed on the Group tax risk register and assessments were carried out to ensure the continued appropriateness of the Group tax policies.
Group liquidity and solvency	On 1 April 2022, the Group successfully refinanced its debt package to a R500m term loan repayable on 1 April 2023 and a R1.5 billion bridge loan repayable on or before 31 December 2023. Through disposals of non-core assets, the Group reduced the bridge loan by R733m resulting in an outstanding amount of R832m at year end. Solvency of the Group is being carefully monitored and is expected to stabilise when the final capital structure is implemented.
Maturation of the internal audit function, adequacy of the internal control environment and embedding the combined assurance model	Internal audit continued to work closely with management to improve the internal control environment through the implementation of ongoing auditing processes, participation in projects (steering committees and/or providing project assurance) and working as a trusted business partner in giving stakeholders assurance over the state of internal controls and recommendations for improving the internal control environment. Additionally, internal audit has provided PwC with all necessary documentation to conduct an ISA610 review in order to receive commitments on control reliance.
Monitor the implementation of the new target operating model, ensuring that the envisaged governance and efficiency improvements are realised.	The committee continues to monitor the implementation of the target operating model through the new ERP. While there have been delays in the go-live date, control improvements and efficiencies are still expected to be realised in the 2023 financial year.



Audit Committee Report *continued*

Internal audit

The in-house internal audit function, which was established in 2019, has grown and continued to scale in the 2022 financial year. The growth in the effectiveness of the function has contributed significantly to the audit charter becoming embedded in the committee and the Group. The growth in the effectiveness of the function has contributed significantly to the enhancing of the EOH control environment. The Chief Audit Executive reports directly to the Audit Committee Chair, in line with best practice. Summaries of the internal audit reports were reviewed and discussed at committee meetings and, where appropriate, recommendations were made to the Board. The audit action plans are monitored on a monthly basis with management, and the Group Executive Committee is informed regarding the progress of implementation.

The internal audit function successfully launched the EOH CA(SA) traineeship in partnership with SAICA. Trainees have commenced their internship and will be rotating across through the Finance, Tax, Treasury and Risk teams as part of their development plan.

Focus areas for 2023 include:

- Refining the audit methodology based on learnings gleaned through the 2022 financial year;
- Expanding the use of data analytics to provide greater assurance with great efficiency;
- GIA would continue to engage with all stakeholders and further the ambitions towards an ISA 610 reliance on internal controls; and
- Aligning with the Group's long-term strategy and addressing key risks.

JSE requirements for CFO/CEO responsibility over financial controls

The EOH Group CEO and CFO have, in compliance with the JSE Listings Requirements, made an undertaking on the adequacy and reliability of internal controls around the preparation of annual

financial statements. This includes an undertaking by management that, where deficiencies and weaknesses have been identified, these have been reported to the Audit Committee. In compliance with this requirement, the committee considered a detailed assessment of the Entity level controls ("ELC") as well as a Risk and control matrix ("RACM") on the Financial Statement Closure Process ("FSCP"). The primary objective of this assessment was to conduct a gap analysis review to identify shortcomings in the current process, as well as to enable the committee to:

- Identify and define the critical internal controls and understand the impact of control failure on the organisation;
- Determine which existing evaluations are performed and who provides the assurance over the adequacy and effectiveness of these controls; and
- Develop a standard consolidated report of the critical controls identified.

This process was conducted with the participation of the first, second and third-line assurance providers.

The committee has satisfied itself that there are adequate and effective entity-level controls relating to the risk assessment, control activities, information and communication and monitoring of the control environment. These pillars of controls are mainly predicated on the oversight and monitoring role played by the Board subcommittees, the combined assurance model, as well as the control self-review through the management attestation process.

The committee has satisfied itself that no deficiencies have a material effect for the purposes of the preparation and presentation of financial statements for the year under review. The committee is also not aware of incidents of fraudulent activities that would render the financial statements unreliable.

The committee remains cognisant of the target operating model initiative that is being put in place by management. Management has in the past been constrained by an ERP system that was not fit for purpose. This technological environment has resulted in control

activities that are largely reactive and not proactive. While the go-live date has been delayed, benefits of efficiencies and greater reliance on control environment is still expected to be realised in the latter part of the 2023 financial year. The committee is satisfied that this initiative will remediate the identified material control deficiencies in a sustainable manner.

The committee looks forward to the journey towards control maturity which will be enabled by the new target operating model, as well as the combined assurance model.

Discharge of responsibilities

The committee is satisfied that it has conducted its affairs, discharged its legal and other responsibilities as outlined in its charter, the Companies Act and King IV. The Board concurred with this assessment.

Conclusion

The committee has had due regard to the principles and recommended practices of King IV in carrying out its duties and is satisfied that it has discharged its responsibilities in accordance with its terms of reference.

The full Audit Committee Report can be found on pages 3 to 5 of the Annual Financial Statements.

Mike Bosman
Chairperson, Audit Committee

26 October 2022



Governance and Risk Committee Report

“The CODE team has continued to entrench the GRC framework throughout the organisation, using technology to strengthen and extend oversight of processes and systems and to mitigate future risk. Good progress is being made in digitising GRC platforms and the committee is satisfied that the risk management function is operating effectively.”

Focus for 2023

- Maturing business resilience across all businesses and business units;
- Continued emphasis and maturity of business interruption plans across the Group;
- Solving for the challenges posed by hybrid working arrangements both from a technology and human capital perspective;
- Overseeing the rollout of the new Group ERP system to monitor risk of business interruption and the enhancement of the control environment;
- Continuing to implement innovative tools and technology working towards GRC-as-a-Service;
- Enhancing risk quantification metrics and appetite into a tool to enable early warning indicators;
- Moving from a rules and risk-based approach to a principles and intelligence-led approach; and
- Introducing robotic process automation into our compliance controls and processes.

Risk and Compliance and other persons with specific skills and expertise to assist the committee in discharging its functions.

Committee composition

- Jesmane Boggenpoel (Chairperson of the committee)
- Sipho Ngidi
- Mike Bosman
- Andrew Mthembu*
- Bharti Harie*

The number of meetings and attendance per committee member are shown on page 95.

Attendees at committee meetings include the Chief Executive Officer, the Chief Financial Officer, the Chief Risk Officer, the Head of Legal, the Head of Governance, Risk and Compliance and other persons with specific skills and expertise to assist the committee in discharging its functions.

The summaries on pages 88 and 89 provide the directors' qualifications and experience.

* Appointed 1 February 2022.

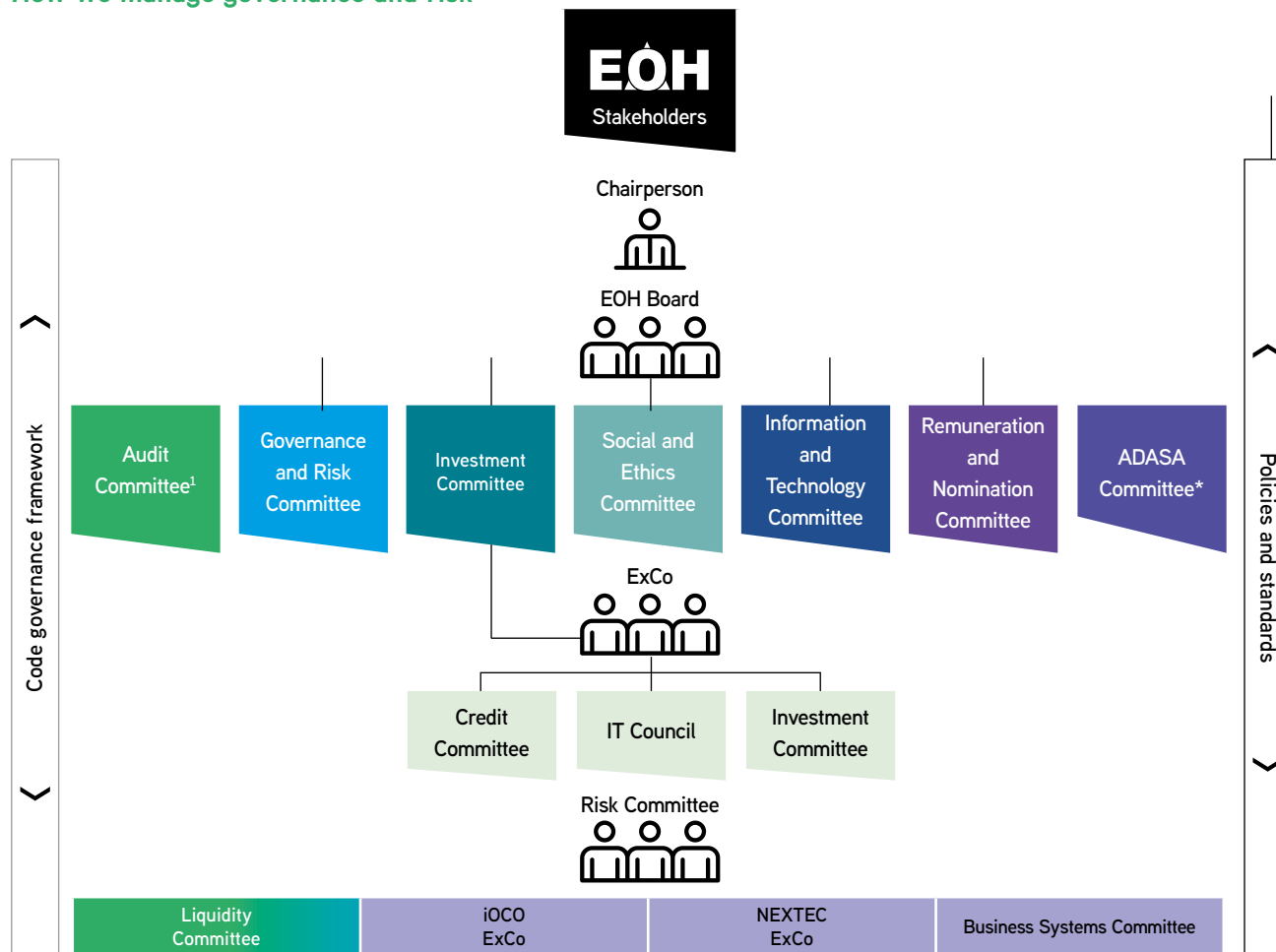


Jesmane Boggenpoel
Chairperson, Governance and Risk Committee



Governance and Risk Committee Report *continued*

How we manage governance and risk



Committee purpose

The Governance and Risk Committee ensures the effective implementation of the EOH Corporate Governance, Risk and Compliance Framework to deliver on the framework's objectives of an ethical leadership culture, sustainability and growth, stakeholder engagement and statutory compliance. The committee's responsibilities include overseeing of governance structures and accountability, sustainability and resilience, enterprise risk management and compliance, transparency and disclosure. Effective oversight of these areas ensures leadership and excellent business decisions that manage risk and take opportunities to create and protect value.

The committee is responsible for:

- overseeing and leading the process of embedding the EOH Governance, Risk and Compliance Framework;
- overseeing developing and reviewing the EOH governance, risk and compliance policies, standards and procedures and overseeing EOH Enterprise Risk Management and Compliance;
- the effective mitigation of strategic, financial, technology and operational risks to all EOH stakeholders;
- liaison with the Audit Committee to exchange information and knowledge relating to risk and opportunity;
- providing opinions and recommendations to the Board on risk assessment, appetite and mitigation approaches; and
- overseeing the establishment of business continuity arrangements and mitigation strategies to ensure sustainable value creation.

Activities during the year

The committee met three times during the year to review the Company's top risks and mitigating actions as well as the progress that has been made in rolling out and embedding the EOH Governance, Risk and Compliance Framework that was developed in 2019. The relatively small team has leveraged technology to enable the necessary oversight of processes and systems; and to mitigate future risk.

Risk management

The Group Risk Committee reviews the effectiveness of risk mitigation programmes, business continuity and forensic services, and provides feedback to the Governance and Risk Committee through the Chief Risk Officer. The top risks facing the organisation

Note: The structure of committees has been updated in line with King IV.

¹ Audit Committee responsibilities include oversight of internal audit.

* Assets Disposals and Strategic Acquisitions Committee.



Governance and Risk Committee Report *continued*

are reported to the committee at each meeting. Additional information as it pertains to the top risks are contained in the risk overview on page 56.

The Bid Risk Committee (“BRC”) has operated effectively during the year with a total of 744 bids being reviewed since it was established in January 2019.

The Group Risk Committee renewed the Group insurance programme in difficult market conditions, ensuring sufficient coverage for the Group. In addition, the function also plays an instrumental role in the combined assurance.

As a result of the progression in the risk and governance maturity, the committee is satisfied that the risk management function is operating effectively.

Compliance management

The committee oversees the compliance programme, under which a number of activities took place during the year. These focused on:

- digitisation of GRC processes in Cerebro Platform;
- EOH as a whole achieving 100% completion rate on the FY2022 OBI declaration project. Compliance actively managed all of the declared OBIs. The OBI tool was then developed and transitions into annual business as usual (“BAU”) declarations from FY2023;
- compliance driving the successful implementation of POPIA across the Group; and
- the successful implementation of the EOH Ethics League, a well-received and successful learning management project that helped embed the key GRC principles across the organisation.

In addition to the committee’s key focus areas discussed in the report, key activities for the 2022 financial year included:

Focus areas	Response
Launch of flagship tool “Ultimo”(robotic process automation) and consolidation of GRC product suite	Additional controls and processes have been automated including, investigation case flow management, complaints, POPIA subject access requests and BCM assessments and plans.
GRC-as-a-Service	Multiple engagements with many customers across several industries have been initiated and a POC has been launched with a major telecoms provider.
Merging of compliance and risk teams	The aim of consolidating the team is to uplift the members of the team to be able to practice and develop their skill throughout all the areas that GRC practices in. The merging of the team ensures efficiencies and breaks down silos thereby assisting with dealing in any matter from a holistic and complete perspective.
Group-wide rollout of a new ERP solution.	This is being implemented together with the development and enhancement of the Group-wide target operating model as they relate to mega processes including but not limited to hire to retire, lead to cash, procure to pay, data governance.

Conclusion

The committee is confident that the CODE team will continue to entrench the risk, compliance and governance framework through the organisation. Based on the work performed and the oversight of governance and risk during the year, we believe that the committee effectively fulfilled the responsibilities set out in its terms of reference.

Jesmane Boggenpoel

Chairperson, Governance and Risk Committee

26 October 2022



Information and Technology Committee Report

“As a technology services business catering for a hybrid workforce, we successfully navigated the new normal by empowering our end-users to work securely from anywhere. To effect this, EOH established a solid central IT governance and standards foundation which set the scene to further enhance digital solutions that are fit for business.”

Focus for 2023

- Executing on the approved Group IT strategy;
- Enabling execution of the Group business strategy by providing strategic and tactical IT support;
- Control cost of ownership to ensure efficient provision of IT services;
- Leveraging new security tool sets to enable work from anywhere;
- Implementing Zero Trust* Architecture and Controls;
- Empowering end-users with productivity toolsets as well as continued focus on overall end-user experience improvements; and
- Focus on technology compliance as well as data strategy execution.

Committee composition

- Nosipho Molope (Chairperson of the committee, appointed 1 February 2022)
- Jabu Moleketi (appointed 1 February 2022)
- Jesmane Boggenpoel
- Andrew Marshall

The number of meetings and attendance per committee member are shown on page 95.

Regular invited attendees: Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Chief Information Officer and Chief Commercial Officer.

The summaries on pages 88 and 89 provide an overview of the directors' qualifications and experience.

* Zero Trust is the technical term for our cybersecurity model.

Committee purpose

The Information and Technology Committee is mandated by the Board to oversee and ensure Group-wide information and technology is managed, appropriately resourced, and sufficiently defined to enable operations and to achieve the Group's strategic objectives. The committee is responsible for ethical and effective risk and compliance systems for Information, Communication and Technology (“ICT”) as defined by King IV principle 12. The EOH ExCo is accountable to the committee for the implementation, effectiveness of, and adherence with, the EOH Governance Framework.

EOH constituted an IT Council that reports into the IT Committee and is responsible for the delivery of the Group IT internal strategy within which the organisation operates. This includes the digitisation of the organisation, compliance with the regulatory framework, policy-setting and oversight of the costs of the IT function. The IT Council meets monthly and provides updates to the committee at committee meetings.

The committee is responsible for:

- the effectiveness of the EOH Group IT strategy, ensuring that ICT capabilities support the EOH Group business strategy;
- leading the delivery of ICT capabilities that enable the integration of people, technologies, information and processes across EOH entities;
- ensuring sufficient ICT management capacity, resources and IT systems, including applications, hardware, software and networks;
- enterprise-wide management of information and technology risk, in line with the EOH Governance Framework, ensuring a road to ISO 27001 compliance;



Nosipho Molope
Chairperson, Information and Technology Committee



Information and Technology Committee Report *continued*

- proactive monitoring and management of systems to identify and respond to incidents, including cyber-attacks and data security;
- managing the performance of, and the risks pertaining to, third-party and outsourced ICT service providers;
- reviewing ICT capital and operating budgets, assuring value delivered from investments made by the EOH Group in information and technology;
- ensuring the effectiveness of governance relating to systems, programming, network and operations activities;
- ensuring ICT backup procedures, including periodic testing, and disaster recovery planning, to ensure business continuity and resilience;
- ensuring the responsible disposal of obsolete technology and the confidentiality of information, with minimal impact on the environment;
- ensuring that an effective disaster recovery plan is in place; and
- ensuring the responsible use of information and technology, including compliance with statutory and regulatory obligations.

Activities during the year

The committee meets four times a year to ensure it delivers on its mandate to oversee the execution of the EOH Group IT strategy.

The committee’s key focus areas for the 2022 financial year included:

Focus areas	Response
Enhancing IT governance	Reviewing and refreshing the committee’s terms of reference together with the work plan. Reviewing and approving the IT services model and governance model. Reviewing and providing guidance on the development of the Group IT strategy and approval of the FY2023 IT strategy. Reviewing the implementation of major IT projects implemented over the past year (this responsibility lies with the Group Risk and Compliance Committee with input from Group IT). Reviewing technology and business system disaster recovery testing and processes and overseeing the commencement of the development of a disaster recovery plan. Ensuring IT services are delivered cost-effectively through standardisation, consolidation and leveraging resources.
Ensuring business continuity while navigating continual COVID-19 regulations	<ul style="list-style-type: none"> ○ Empowering our hybrid workforce to work from anywhere through productivity and digital solutions. ○ It is important to note that the Group reported significant savings in telecommunications, optimisation licensing agreements with vendors and printing-related costs during the 2022 financial year.
IT security/cyber-threats	<ul style="list-style-type: none"> ○ Established a central cybersecurity operations centre to monitor, manage and report on all security-related incidents resulting in a more security-aware and security-mature organisation.
Risk management	<ul style="list-style-type: none"> ○ Mitigation of audit findings and identified gaps. ○ Reviewing risks within the IT landscape and ensuring the level of risk is mitigated to tolerable levels. ○ Although an increase in global cyber-attacks was reported, EOH’s security controls and employee awareness training resulted in minimal breaches for the year and impact on the business. ○ EOH established a project to on-board all businesses onto the central IT standards and security controls.

Conclusion

The committee is satisfied that it has discharged its responsibilities during the year, as set out in the terms of reference.

Nosipho Molope

Chairperson, Information and Technology Committee

26 October 2022



Social and Ethics Committee Report

“EOH recognises that social, environmental and governance transformation is critical for the sustainability of the Group and a number of initiatives were implemented during the year. Entrenching an ethical culture remains a priority and through our Employee Value Proposition ensured the enablement, growth, inclusion and care of our people.”

Focus for 2023

- Socialising and embedding the integrated sustainability strategy and supporting activities across the Group;
- Reviewing and updating the stakeholder engagement analysis and plan;
- Retaining B-BBEE level 1 contributor rating for the business;
- Participating as member and signatory to the United Nations Global Compact;
- Presenting case study roundtable on our turnaround to the UNGC network in partnership with Corruption Watch;
- Reskilling and upskilling in technology-related fields;
- Driving phase 3 of the diversity and inclusion strategy across the business;
- Continuing to build and deliver on commercial solutions driving social good;
- Implementing initiatives to holistically and broadly address thematic issues identified from the whistleblowing and forensic investigations;
- Embedding an ethically driven public sector engagement framework with the view to increasing business at the same time as learning from the lessons of the past;
- Continued automation and digitisation of controls to drive ethical behaviour; and
- Developing new socio-economic development strategy.

Committee composition

- Bharti Harie (Chairperson of the committee)
- Siphon Ngidi
- Jabu Moleketi
- Nosipho Molope

The number of meetings and attendance per committee member are shown on page 95.

Regular invited attendees: the Chief Executive Officer, the Chief Financial Officer and the Chief Risk Officer.

The summaries on pages 88 and 89 provide the directors' qualifications and experience.

Committee purpose

The responsibilities of the Social and Ethics Committee include the oversight and monitoring EOH's activities in terms of legislation, regulations and Codes of Best Practice relating to ethics, stakeholder engagement, strategic empowerment and compliance with transformation codes.

The committee provides guidance to management regarding international best practice in respect of its duties relating to social, ethics, transformation and sustainability issues.

The committee is responsible for:

- the ethical conduct of the Company, its executives and senior officials, including review and approval of the EOH Code of Conduct;
- reviewing and approving anti-corruption policies to ensure a zero-tolerance approach that is futureproof;
- the Group's policy for sustainable development, including targets and recommendations to the Board of Directors, aligned to the UN 2030 Agenda;
- the Group's policy for B-BBEE, Employment Equity ("EE"), diversity and transformation, including principles, targets, initiatives, programmes, and implementation;
- compliance and alignment with the B-BBEE Act 53 of 2003 as amended by the B-BBEE Act 46 of 2013, monitoring achievement;
- company performance as a good corporate citizen, as defined in King IV;
- guidance on the social and economic development activities of the Company including health, public safety, and the environment;
- guidance regarding stakeholder engagement, including the development of communities and associated sponsorships and donations;
- the responsible management of data and compliance with the PAIA Manual and POPIA; and
- monitoring changes in legislation and to social and ethical codes, to ensure that the Company is compliant.



Bharti Harie
Chairperson, Social and Ethics Committee



Social and Ethics Committee Report *continued*

Activities during the year

The Social and Ethics Committee was re-established in September 2019, with a refreshed membership. It has been mobilised to deliver governance of all relevant aspects of section 72 of the Companies Act, read in conjunction with Regulation 43 of the Companies Regulations, 2011.

Focus areas	Response
Diversity and inclusion	<ul style="list-style-type: none"> Phase 2 of the Diversity and Inclusion strategy implemented Focus on LGBTQIA and differently abled people Six Inclusion roundtables hosted Second generation youth solvers launched
Sustainability	<ul style="list-style-type: none"> Group sustainability policy and strategy aligned to GET strategy Identified eight SDGs aligned to EOH's six sustainability themes Monitoring Group EHS operating standard for continuous improvement Group EHS Committee effectively running Mission 1.5 – undergoing ESG materiality assessment Emissions dashboard tracking in progress
Ethical culture	<ul style="list-style-type: none"> Detailed ethics programme developed and implemented across the Group Focus on ethics programme training, including, but not limited to, the Code of Conduct Programme designed to move EOH up on the corporate governance maturity curve Second organisation-wide ethics survey conducted and results compared against the first to identify improvements and developmental areas Improvements in technology to drive ethical behaviour
Employee wellness	<ul style="list-style-type: none"> Integrated wellness strategy embedded Variable model on services provided included implementation of Panda mental health app
Socio-economic development	<ul style="list-style-type: none"> Indicated communities through corporate citizenship Embedded our volunteerism program Gear Up programme and aligned sustainability themes and SDGs Strengthened our collaborative partnerships with our key SED partners and delivered equitable solutions to quality education

Transformation and B-BBEE

The Board recognises that social transformation is critical for the sustainability of the Group and the committee continued the ongoing drive towards economic and social equity through the process of B-BBEE. The best measure of EOH success in this regard is the ongoing attainment of a level 1 contributor rating, under the South African Department of Trade, Industry and Competition (“dtic”) Code of Good Practice, the highest rating of its peers on the JSE.

The committee is focused on the status of the Company’s B-BBEE rating and a B-BBEE Council is in place with supporting business champions responsible for implementing and monitoring performance against stated targets.

The Group recognises the importance of culture in driving sustainable transformation. This change is facilitated through interventions like monthly roundtables whose objective is to build social cohesion and structural inclusion.

Conclusion

EOH has the necessary policies and programmes in place to advance social and economic development, sound ethical behaviour, fair labour practices, responsible environmental practices and good customer relations. The committee confirms that EOH gives the necessary attention to its transformation, social and ethics responsibilities and has complied with the required regulatory requirements. The committee is satisfied that it

discharged its responsibilities set out in its terms of reference during the year.

The committee has fulfilled the requirements of the terms of reference and performed against plan.

Bharti Harie
Chairperson, Social and Ethics Committee

26 October 2022



Asset Disposals and Strategic Acquisitions Committee Report

“The committee oversees asset disposals and progress in the Group’s deleveraging plan, with the goal of implementing a business structure that balances both current operational success and long-term sustainability. The desired end result remains a focused, efficient business capable of becoming the digital-transformation enabler for our customers. Achieving an optimal capital structure will be key in achieving this.”

Focus for 2023

- Monitoring the Group’s capital structure; and
- Monitoring the execution of the deleveraging plan.

Committee composition

The committee has been constituted to include independent Non-executive Directors and the CEO, and is made up as follows:

- Andrew Marshall (Chairperson of the committee)
- Mike Bosman
- Andrew Mthembu
- Stephen van Coller

The number of meetings and attendance per committee member are shown on page 95.

The summaries on pages 88 and 89 provide an overview of the directors’ qualifications and experience.

Committee purpose

The Asset Disposals and Strategic Acquisitions Committee (“the committee”) was established in July 2020 with the following mandate:

- Monitoring the progress of the Group’s deleveraging plan;
- Monitoring and overseeing the optimisation of the Group’s capital structure;
- Advising management on the structuring of the Group’s debt;
- Commissioning research into processes to follow in the disposals of assets, mainly looking at the asset and liability management of the Group, the changing economic circumstances over time and recommending action cognisant of the impact this would have on the Group’s liabilities;

- Providing strategic scrutiny of the Group’s efforts to reorganise the businesses into coherent entities;
- Streamlining the role(s) currently played by the mergers and acquisition (“M&A”) team(s) within EOH;
- Recommending the ideal business structure for EOH, ensuring a balance between the dynamics of current operational success with the challenges of a sustainable business going forward;
- Coordinating divisional business research initiatives of the divisions and setting a coherent outline for the Group to debate and articulate; and
- Monitoring the Group’s liquidity and solvency.

Terms of reference

The committee finalised the terms of reference that will govern its mandate and activities.

Activities during the year

The committee was able to execute on its mandate as per the terms of reference.



Andrew Marshall
Chairperson, Asset Disposals and Strategic Acquisitions Committee



Asset Disposals and Strategic Acquisitions Committee Report *continued*

The committee's key focus areas for the 2022 financial year included:

Focus areas	Response
Finalisation of the terms of reference	Terms of reference for the committee were finalised and approved by the Board, with the object of optimising the capital structure.
Approval of disposals	The committee reviewed and approved the disposals commissioned as part of the deleveraging plan, the most significant of which was the finalisation of the sale of Sybrin and the sale of Information Services.
Advising management on the debt structuring	The remaining debt outstanding was refinanced with the lender consortium on 1 April 2022, comprising a bridge facility, a three-year senior term loan as well as an overdraft facility and general banking facilities. This places the Group in a position to focus on assessing its strategic options with regard to achieving an optimal long-term capital structure.

Meetings

There were six meetings held during the 2022 financial year.

Conclusion

The committee is satisfied that it has discharged its responsibilities during the year, as set out in the terms of reference.

Andrew Marshall

Chairperson, Asset Disposals and Strategic Acquisitions Committee

26 October 2022



Analysis of shareholders

	31 July 2022				31 July 2021			
	Number of shareholders	%	Number of shares	%	Number of shareholders	%	Number of shares	%
Analysis of shareholdings								
Holdings								
1 – 10 000	12 484	91.24	12 692 087	7.19	12 266	91.28	13 401 934	7.59
10 001 – 50 000	873	6.38	19 815 274	11.22	858	6.39	19 866 340	11.25
50 001 – 100 000	153	1.12	11 057 986	6.26	151	1.12	10 819 230	6.13
100 001 – 1 000 000	146	1.07	39 024 788	22.10	140	1.04	38 331 215	21.71
1 000 001 and more	27	0.20	93 954 826	53.22	23	0.17	94 126 242	53.32
	13 683	100.00	176 544 961	100.00	13 438	100	176 544 961	100
Shareholder categories								
Banks	10	0.07	10 402 562	5.89	36	0.27	15 596 005	8.83
Close corporations	54	0.39	988 049	0.56	73	0.54	1 011 316	0.57
Empowerment	2	0.01	23 062 458	13.06	2	0.01	23 062 458	13.06
Endowment funds	9	0.07	467 411	0.26	22	0.16	217 232	0.12
Individuals	12 835	93.80	51 793 582	29.34	12 416	92.39	47 956 425	27.16
Insurance companies	74	0.54	3 093 851	1.75	53	0.39	1 196 686	0.68
Investment companies	28	0.20	303 040	0.17	1	0.01	14 600	0.01
Medical schemes	3	0.02	880 236	0.50	2	0.01	437 146	0.25
Mutual funds	36	0.26	24 338 906	13.79	43	0.32	33 800 929	19.15
Other corporations	25	0.18	6 726 300	3.81	34	0.25	30 337	0.02
Own holdings (treasury shares)	2	0.01	5 445 661	3.08	2	0.01	5 445 661	3.08
Private companies	207	1.51	7 388 566	4.19	254	1.89	8 002 418	4.53
Public companies	4	0.03	494 793	0.28	5	0.04	128 750	0.07
Retirement funds	31	0.23	24 459 977	13.85	31	0.23	28 978 219	16.41
EOH share trusts	2	0.01	2 341 508	1.33	2	0.01	2 341 508	1.33
Trusts	361	2.64	14 358 061	8.13	462	3.44	8 325 271	4.72
Total	13 683	100.00	176 544 961	100.00	13 438	100.00	176 544 961	100.00



Analysis of shareholders *continued*

Major shareholders

According to the records of the Company, the only shareholders registered at 31 July holding 3% or more of the Company's shares were:

	31 July 2022		31 July 2021	
	Number of shares	%	Number of shares	%
EOH treasury shares – V55 Investments Proprietary Limited	5 445 661	3.08	5 445 661	3.08
Fidelity Asset Management	7 057 888	4.00	7 506 693	4.25
Foord Asset Management	9 547 398	5.41	10 689 240	6.05
HSBC Private Bank Suisse SA Omnibusclient	8 100 022	4.59	–	–
Lebashe Investment Group	23 062 458	13.06	23 062 458	13.06
Metal Industries Benefit Funds Administrators (“MIBFA”)	13 472 202	7.63	19 463 488	11.02
Total	66 685 629	37.77	66 167 540	37.46

* Government Employee Pension Fund holding decreased to 2.42% as at 31 July 2021.

Shareholder spread

	31 July 2022		31 July 2021	
	Number of shares	%	Number of shares	%
Public shareholders	145 413 629	82.37	145 413 629	82.37
Non-public shareholders	31 131 332	17.63	31 131 332	17.63
Directors, associates and management of the Company	281 705	0.16	281 705	0.16
Strategic holdings	23 062 458	13.06	23 062 458	13.06
EOH share trusts	2 341 508	1.33	2 341 508	1.33
EOH treasury shares – V55 Investments Proprietary Limited	5 445 661	3.08	5 445 661	3.08
	176 544 961	100.00	176 544 961	100
Shares in issue				
Total number in issue	176 544 961		176 544 961	
Share trusts	(2 341 508)		(2 341 508)	
EOH treasury shares – V55 Investments Proprietary Limited	(5 445 661)		(5 445 661)	
Effective number of shares in issue	168 757 792		168 757 792	



Shareholder's diary

Key information

Financial year end	31 July 2022
Annual general meeting	Tuesday, 13 December 2022

Reports

Announcement of annual results for the year ended 31 July 2022	Wednesday, 26 October 2022
Publication of the annual Integrated Report for the year ended 31 July 2022	Wednesday, 26 October 2022

Glossary

FINANCIAL

Adjusted EBITDA	Profit/loss before depreciation, amortisation, share-based payments, gain/loss on disposal of subsidiaries and associates, impairments of non-financial assets, loss on disposal of assets, changes in fair value of vendors for acquisition liability, interest income, interest expense, corporate overheads and current and deferred tax
B2B2C	Business-to-business-to-consumer
Cash realisation rate	This ratio is calculated by expressing cash generated by operations as a percentage of adjusted EBITDA and reflects the proportion of cash operating profit realised after working capital movements
Dividend cover	Headline earnings per share divided by dividends per share declared out of earnings for the year
Dividend yield	Dividend per share as a percentage of market value per share at year end
Earnings per share	Net profit/(loss) for the year attributable to the owners of EOH Holdings Limited divided by the weighted average number of ordinary shares in issue during the year
Earnings yield	Headline earnings per share as a percentage of market value per share at year end
ELC	Entity level control
FSCP	Financial Statement Closure Process
Normalised adjusted EBITDA	Adjusted EBITDA adjusted for once-off cash and non-cash items
Headline earnings	Net profit for the year adjusted for profit/loss on sale of property, plant and equipment, investments and impairment losses on non-financial assets
Headline earnings per share	Headline earnings divided by the weighted average number of ordinary shares in issue during the year
Net asset value per share	Ordinary shareholders' equity divided by the number of ordinary shares in issue
Operating profit before interest and impairments	Profit before impairment losses, interest and taxation
Operating profit margin	Operating profit as a percentage of total revenue
Price to earnings ratio	Market value per share divided by headline earnings per share at year end
Price to net asset value ratio	Market value per share divided by net asset value per share at year end
RACM	Risk and control matrix
Return on total assets	Operating profit as a percentage of average total assets
Core normalised adjusted EBITDA	Normalised adjusted EBITDA adjusted for non-core business lines to be closed



Glossary *continued*

NON-FINANCIAL

African, Indian and Coloured	AIC
Anything-as-a-Service	XaaS
Application programming interfaces	APIs
Artificial intelligence	AI
Automated meter reading	AMR
Business as usual	BAU
Business Leadership South Africa	BLSA
Business Unity South Africa	BUSA
Carbon dioxide equivalent	CO₂e
Centre for Internet Security	CIS
Chief Executive Officer	CEO
Chief Financial Officer	CFO
Chief Risk Officer	CRO
Closed-circuit television	CCTV
Compliance risk-management plan	CRMP
Continuous Integration and Continuous Delivery	CI/CD
Demand Response Aggregation System	DRAS
Department of Trade, Industry and Competition	dtic
Department of Water and Sanitation	DWS
Distributed ledger technology	DLT
Emotional and social competence inventory	ESCI
Employee experience	EX

Employee value proposition	EVP
Enterprise development	ED
Enterprise resource planning	ERP
Enterprise risk management framework	ERMF
Enterprise supplier development	ESD
Environmental assessment	EA
Environmental and social	E&S
Environmental and social due diligence	ESDD
Environmental and social impact assessment	ESIA
Financial Action Task Force	FATF
Gender-based violence	GBV
Global Reporting Initiative	GRI
Governance, risk, and compliance	GRC
GRC-as-a-Service	GRCaaS
Greenhouse gas	GHG
Infrastructure-as-a-Service	IaaS
Intellectual property	IP
International Data Corporation	IDC
International Financial Reporting Standards	IFRS
International Integrated Reporting Council	IIRC
Internet of things	IoT
Johannesburg Stock Exchange	JSE



Glossary *continued*

Key performance indicators	KPIs
King IV Report on Corporate Governance™	King IV
Long-term incentives	LTIs
Machine learning	ML
Megawatt	MW
Memorandum of incorporation	Mol
Mergers and acquisitions	M&A
Non-fungible token	NFT
Non-governmental organisation	NGO
Office of Foreign Assets Control	OFAC
One Young World	OYW
Original equipment manufacturer	OEM
Platform-as-a-Service	PaaS
Protection of Personal Information Act	POPIA
Public-Private Growth Initiative	PPGI
Renewable Energy Independent Power Producer Procurement Programme	REIPPPP
Robotic process automation	RPA

Security and building technologies	SBT
Short-term incentives	STIs
Small, medium or micro-enterprise	SMME
Software-as-a-Service	SaaS
Special Investigative Unit	SIU
SQL server analysis services	SAAS
Supplier and enterprise development	SED
The South African Institute of Chartered Accountants	SAICA
United Kingdom's Department of Environment, Food and Rural Affairs	DEFRA
United Nations Sustainable Development Goals	UN SDGs
World Business Council for Sustainable Development	WBCSD
World Resources Institute	WRI



Corporate information

EOH Holdings Limited

Incorporated in the Republic of South Africa

Registration number: 1998/014669/06

JSE share code: EOH

ISIN: ZAE000071072

("EOH" or "the Company" or "the Group")

Directorate

Non-executive

Andrew Mthembu (appointed 6 February 2020 as Chairman)

Andrew Marshall (appointed 21 May 2020)

Bharti Harie (appointed with effect from 1 January 2021)

Jabu Moleketi (appointed 1 September 2020)

Jesmane Boggenpoel (appointed 1 July 2018)

Mike Bosman (appointed 20 June 2019)

Nosipho Molope (appointed with effect from 1 January 2021)

Sipho Ngidi (appointed 20 February 2020)

Executive

Stephen van Coller (Group Chief Executive Officer)

Megan Pydigadu (Group Chief Financial Officer)

Fatima Newman (Group Chief Risk Officer)

Interim Company Secretary

Neill O'Brien

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Telephone

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Investor e-mail

ir@eoh.com

Auditor

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4 Lisbon Lane, Waterfall City, Jukskei View, 2090

Sponsor

Java Capital Trustees and Sponsors Proprietary Limited

(Registration number 2006/005780/07)

6th Floor, 1 Park Lane

Wierda Valley,

Sandton, 2196

(PO Box 522606, Saxonwold, 2132)

South Africa

Transfer Secretaries

Computershare Investor Services Proprietary Limited

(Registration number: 2004/003647/07)

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