



# 2022

## **SUSTAINABILITY REPORT**

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## SUSTAINABLE DEVELOPMENT GOALS

On 25 September 2015, at the United Nations Sustainable Development Summit, more than 150 world leaders adopted a set of goals to end poverty, protect the planet and ensure prosperity for all, as part of a new sustainable development agenda.

On reviewing its various sustainability initiatives, the group has established a link between what the sustainable development goals seek to achieve, the suggested actions and some of its current initiatives. It is for this reason that Stefanutti Stocks has included these goals to ensure they continually guide the company's actions and contribution to the bigger world agenda.



## MORE INFORMATION

Sustainable development goals can be found on the United Nations website:

<https://sdgs.un.org/goals>



# COVID-19 RESPONSE

## CONTINUATION OF OPERATIONS DURING ALERT LEVELS 4, AND ADJUSTED LEVELS 2 AND 1

Subsequent to the hard lockdown level 5, the South African Government eased restrictions upon implementation of levels 3 to 2.

The organisation experienced a seamless transition during the return-to-work process, subsequent to the hard lockdown. As numerous projects were registered with the Companies and Intellectual Properties Commission (CIPC) and classified as essential services to the national power grid, a more relaxed approach was adopted specifically pertaining to permits no longer required, and onboarding of additional staff where required.

Operations continued throughout the year under review with the same stringent procedures and processes implemented in the prior year, with time and transport availed by the organisation, for employees inclined to participate in the government vaccination programme.

COVID-19 vaccine awareness campaigns were appropriated from government websites and made conspicuous on all projects. Toolbox talks and leadership engagement (LE) took place, to educate employees on all matters surrounding vaccination.

The declaration of the end of the national state of disaster by the South African President on 4 April 2022 had no significant impact on the group as all sites were fully operational.

## DELEGATION OF TASK TEAM

A task team (COVID-19 Committee) was formed before the formal lockdown, with the Chief Executive Officer (CEO) heading up the committee to ensure effectiveness and successful implementation of measures.

The committee worked on identifying legal and other requirements, including international best practice measures to develop a COVID-19 response action programme and a system to manage and monitor the process.

## COMPLIANCE MEASURES

Although government regulations were amended the task team continued to review and revise the existing measures implemented upon the onset of the level 5 lockdown. Measures were not relaxed from a company perspective, which proved to be prudent, as the country returned to the stringent restrictions, again imposed upon implementation of level 4 in June 2021. The group projects were well prepared for this transition through the ongoing identification, development, and implementation of improved measures to ensure preparedness to return to work.

Some of the measures are:

- COVID-19 risk assessments conducted in high risk areas were reviewed on an ongoing basis to quantify the multi-level risk and effectiveness of associated control measures.
- A COVID-19 policy was formalised in March 2020, as a declaration of intent by the CEO. The policy was reviewed and re-communicated in the current year.
- COVID-19 operating procedures for sites, plant-yards and offices were drawn up, adopted, and re-communicated.
- COVID-19 inductions are carried out at the offices, sites, and plant-yards to ensure all employees and sub-contractors receive the required information and training.
- COVID-19 daily screening processes continue across all operations.
- COVID-19 reporting, investigation, and monitoring system on Systems at Stefanutti Stocks (S@S).
- Weekly COVID-19 awareness training campaigns.
- COVID-19 audits, assessments, and inspections on all operations.
- COVID-19 vaccine accessibility — accommodating employees with time allowance and transportation to vaccine sites to encourage vaccinations.
- COVID-19 vaccination tracking software for statistical reporting purposes.
- COVID-19 vaccination awareness and training as published on the Department of Health website.
- COVID-19 PCR and rapid results testing coordinated by the group's health care service provider to ensure ease of booking and allocation of funds provided by the relevant sites.

## PERSONAL PROTECTIVE EQUIPMENT

The group continues to provide all employees with the required face masks and task-associated personal protective equipment (PPE) as determined through the hazard identification and risk assessment process.

Information, training and instruction are given to all employees on the limitations, correct usage and application of PPE. At the entry points of all operations, mandatory PPE signage is displayed with emphasis on COVID-19. COVID-19 PPE waste bins are provided throughout all operations and are disposed of through licensed hazardous and medical waste removers. No PPE is shared between employees.

## RETURN TO OPERATION

On returning to work, all sites and operations' task teams ensured the provision of sufficient sanitiser, soap, PPE, and facilities (social distancing demarcation, etc.) before any employees were permitted to return on-site.

All required measures and systems were implemented, assessed and monitored in relation to COVID-19.

## IMPLEMENTATION AND MONITORING

Continuous improvements are performed on current systems and measures to cater for continual amendments of COVID regulations. Periodical audits, assessments and inspections are conducted to ensure compliance and effective implementation of the requirements.

# ABOUT THIS REPORT

## SCOPE AND BOUNDARY

The sustainability report comprises the operations of Stefanutti Stocks Holdings Limited and its subsidiaries (the company, the group or Stefanutti Stocks) mainly for South Africa. The information in this report covers the performance of the company for the year ended 28 February 2022 and, where relevant, information post year-end has been incorporated.

Stefanutti Stocks strives to ensure that the disclosures made in this report are meaningful, accurate, complete, transparent and balanced. The board and board committees have considered and approved the disclosures made in this report.

This report was prepared in accordance with the requirements of the South African Companies Act, No. 71 of 2008, as amended (the Companies Act), the Listings Requirements of the JSE Limited (JSE), the principles of the King IV Report on Corporate Governance™ (copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved) for South Africa 2016 (King IV™), the International Integrated Reporting Council's International <IR> Framework as well as the company's Memorandum of Incorporation. This report also takes guidance from the Global Reporting Initiative Guidelines and Standards.

The Stefanutti Stocks Integrated Annual Report, as well as the comprehensive annual financial statements and investor presentations for the year ended 28 February 2022, are available on the company's website.

The requirement for sustainability assurance is considered annually and is, at this stage, not deemed necessary. This report contains material issues of concern to the company's stakeholders. For additional information visit the company's website: [www.stefanuttistocks.com](http://www.stefanuttistocks.com).

## MATERIALITY

Materiality is determined after consideration of the International <IR> Framework, King IV™, the Global Reporting Initiative Guidelines and Standards and internal policies. The organisation defines material issues as those matters having the potential to affect its strategy, business model, sustainability or one or more of the capitals i.e. Financial, Manufactured, Intellectual, Social and Relationship, Human and Natural Capitals, as defined by the International Integrated Reporting Council (IIRC) over the short, medium and long term, taking into account the likelihood and consequence of the issues.

## FORWARD-LOOKING STATEMENTS

The statements made within the sustainability report may contain forward-looking information including statements regarding the company's intent, belief or current expectations with respect to Stefanutti Stocks's businesses and operations, market conditions, results of operation and financial condition, capital adequacy, specific provisions and risk management practices.

Investors/shareholders are cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements are based on Stefanutti Stocks's current expectations and involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such forward-looking statements.

These statements are based on a number of assumptions that are subject to change. The sustainability report includes only matters up to the date of this report and the period reported on and only where relevant, information post year-end, has been incorporated. Stefanutti Stocks disclaims any duty to update the information herein.

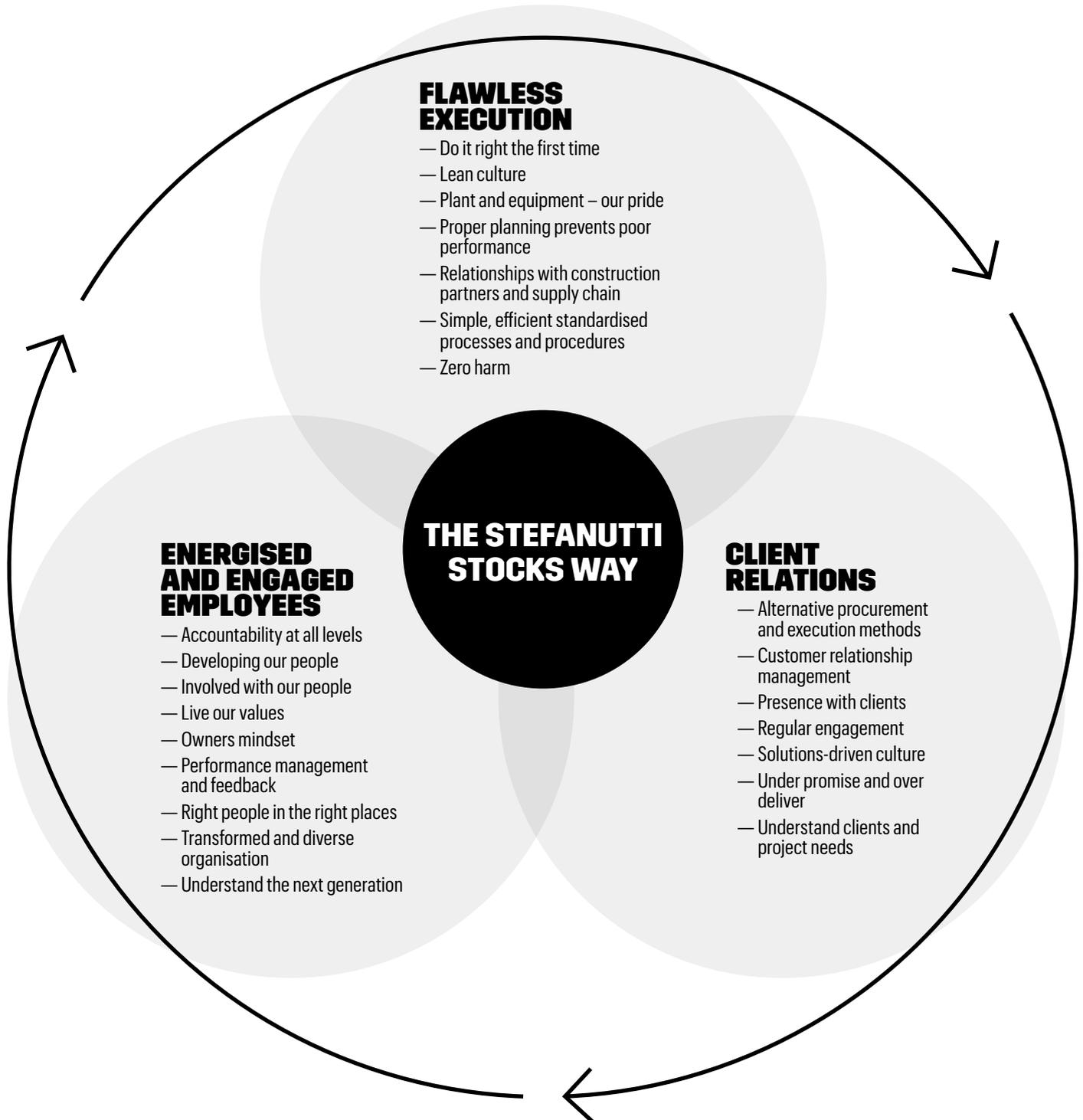


### **Busisiwe Silwanyana**

Chairman of the Social and Ethics Committee

13 June 2022

# THE STEFANUTTI STOCKS WAY



# COMPANY PROFILE

The group offers **highly diversified services** across a **wide spectrum of engineering and construction disciplines**.

Stefanutti Stocks is **one of South Africa's leading engineering and construction groups**, and is listed on the JSE Main Board in the "Construction and Materials – Construction" sector.

## VISION

if **you** can dream it,  
we **can construct it**

The group operates throughout South Africa and Southern Africa with multi-disciplinary expertise including concrete structures, marine construction, piling, geotechnical services, roads and earthworks, bulk pipelines, materials handling, tailings management, all forms of building works, including affordable housing, mechanical, electrical and piping (MEP).

Stefanutti Stocks is registered with the Construction Industry Development Board (CIDB) as a Category 9 Contractor, with no restrictions on the size of projects for which the group can tender. The group is ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified.

The group's operational footprint on the African continent spans South Africa and sub-Saharan Africa, including Botswana, Eswatini, Malawi, Mozambique, Zambia and Zimbabwe in both the private and public sectors.

## MISSION

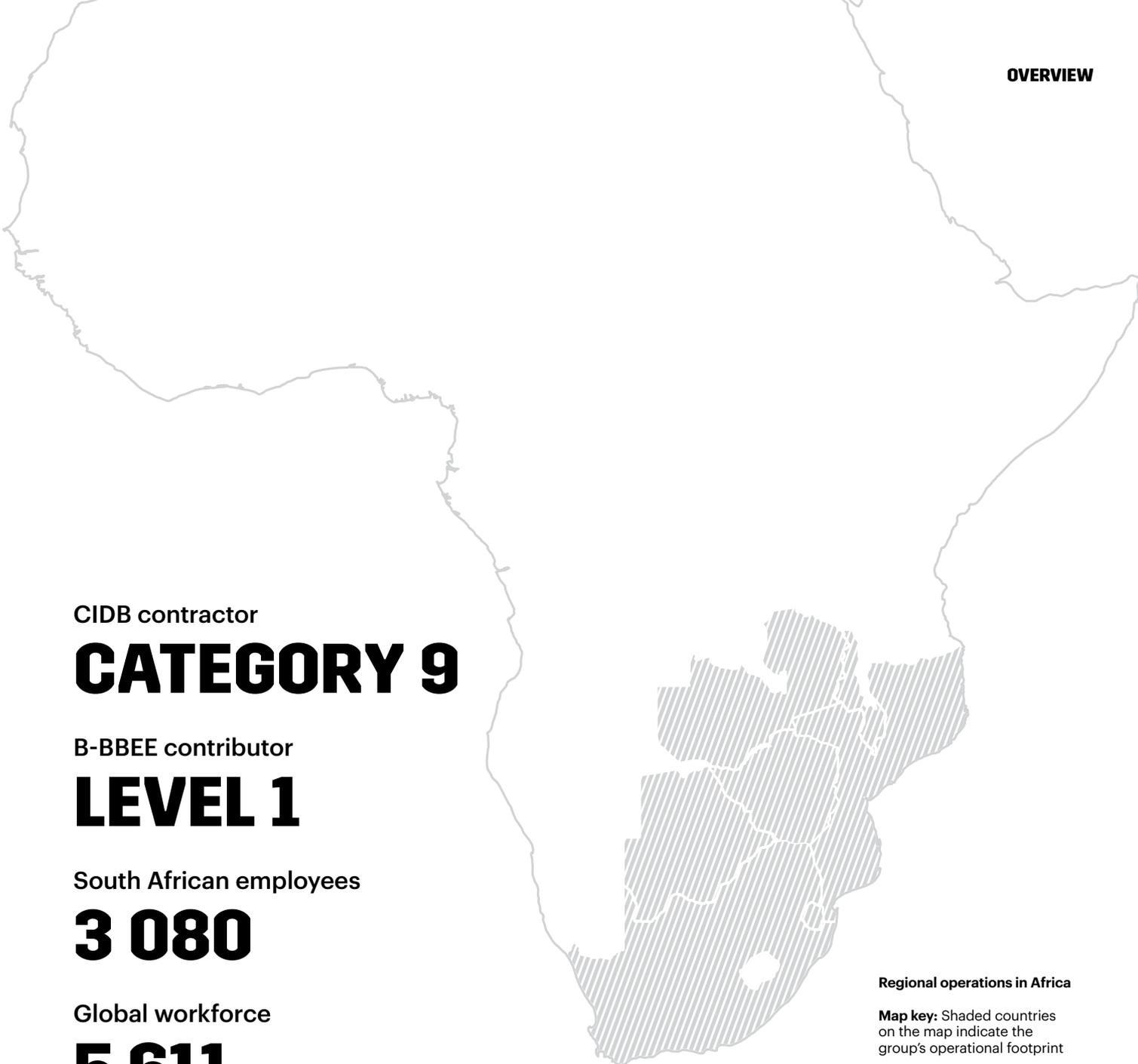
excellence  
in **execution**

Clients include governments, state-owned companies, local authorities, large industrial entities, mining corporations, financial institutions and property developers.

The group employs a global workforce of 5 611 with 3 080 South African employees, with its head office based in Kempton Park, Gauteng.

The group has a values-driven culture with which it creates sustainable partnerships with all stakeholders.

The above is achieved by setting and meeting measurable key objectives to support sustainable earnings growth and, at the same time, maintaining a sound financial position while implementing key non-financial objectives to support Stefanutti Stocks's strategy.



CIDB contractor

**CATEGORY 9**

B-BBEE contributor

**LEVEL 1**

South African employees

**3 080**

Global workforce

**5 611**

Regional operations in Africa

**Map key:** Shaded countries on the map indicate the group's operational footprint

## VALUES

### Candour

Frank and respectful discussions with the objective of finding positive outcomes.

### Accountability

Taking personal responsibility for one's actions and the resultant outcomes.

### People relations

The value, which results in people treating one another fairly and with respect, and always being mindful of the human dignity of others.

### Professionalism

The application of a competent, disciplined and meticulous approach to all aspects of business, resulting in performance of high quality and reliability.

### Excellence

A passionate mindset that puts quality at the forefront of all business activity.

### Dynamic

Embracing openness and flexibility of mind and an energetic, proactive solution-driven attitude.

# GROUP MANAGEMENT SYSTEM FRAMEWORK

## EXECUTIVE COMMITTEE (EXCO)

Various forums have been established to ensure standardisation across the group and improve the group's effectiveness, including the Sustainability Committee, which oversees the composition of this report.

### SUSTAINABILITY

Chairman — Mike Sikhakhane

To formalise, entrench, maintain and review a reporting system that enables the group to measure, understand and communicate its progress against the five key areas of sustainability: economic, environmental, social, transformation and governance to its stakeholders.

### HUMAN RESOURCES

Chairman — Mike Sikhakhane

To ensure that services, policies, procedures, conditions of employment and human resources programmes exist in support of the group's attraction, development and retention of employees as well as sound human resources governance, risk and compliance management.

### INFORMATION TECHNOLOGY

Chairman — Richard Harrison

The information communication technology (ICT) forum endeavours to ensure the information, communication and technologies utilised support and enable the group's objectives. This entails the identification and assessment of potential emerging technologies and the ongoing drive to reduce the overall ICT cost per user within the group. These activities cover both purchased and in-house developed software, as well as potential hardware and cloud solutions.

### OCCUPATIONAL HEALTH, SAFETY, ENVIRONMENT AND QUALITY

Chairman — Derek Du Plessis

To establish an environmental management system (EMS) and an occupational health and safety management system (OHS MS) and ensure EMS and OHS MS core processes are documented on the SharePoint portal and to monitor, measure, analyse and evaluate core processes and investigate incidents, non-conformity and corrective action core processes. To ensure alignment and consolidation of group quality systems, processes, documentation and certification. Documents and other information are made available electronically on a SharePoint portal to all staff in a simple and accessible way.

### FINANCE

Chairman — Yolanda du Plessis

To coordinate the regulatory and administrative compliance within the group and to share best practices.

# STAKEHOLDER ENGAGEMENT

## EMPLOYEES

Essential feedback is provided throughout the business via interaction with the group's employees. Management implements various formal and informal methods with which to meaningfully engage with employees.

Employee engagement takes place as part of the full employment cycle. After recruitment, the next engagements occur at monthly group induction sessions. These provide new recruits with a broad understanding of the group, its internal organisational structure and basic policies and procedures, and act as an introductory discussion when selecting a benefit fund best suited to the employee.

During scheduled, one-on-one employee sessions, employees discuss matters including personal development and training, performance and career path progression. The outcomes of these engagements help guide the succession and training plans of the group.

The group's formal structures of employee engagement and communication include functional forums, consisting of business representatives and subject matter experts with the knowledge and experience to align the group's internal functions with its business strategy and standard policies and procedures. Similar forums exist on a smaller scale within each region and discipline.

LE and visible felt leadership (VFL) demonstrate the company's progressive approach towards health and safety. The group promotes greater personal involvement, acceptance and responsibility from employees, which is a shift from the previous approach of compliance and hard-lined management control.

These initiatives provide two-way communication opportunities allowing employees to contribute to problem solving, while also creating a better understanding of highlighted concerns.

The group conducted an employee survey with focus areas including employee satisfaction with the company, their jobs, colleagues and communication, among others.

Employees who leave the group are encouraged to attend an exit interview and, where necessary, further engagement opportunities are arranged to address issues raised.

## LOCAL COMMUNITIES

Local communities play a vital role to ensure successful project delivery. Upfront engagement with the community determines the success or failure of a project. It creates a better understanding of community expectations, while creating a sense of ownership and transparency by considering local communities in the decision-making and procurement processes.

Community Liaison Officers (CLOs) are employed by the group, and their primary role includes communicating daily with local community leaders, assisting with recruitment requirements and acting as community spokespersons. The communities have intimate knowledge and a unique relationship with their respective environments and in many instances, CLOs create a platform whereby stakeholders can table concerns and queries.

Members of communities that have been properly engaged become some of the company's greatest brand ambassadors. They help to promote the group's interests, opening the way for new work opportunities, additional work or consideration for future work.

## TRADE UNIONS

The group recognises trade unions in line with the 1996 Constitution of South Africa, which provides for the right to join trade unions, and for unions' right to collective bargain and strike. This is also in line with the Labour Relations Act which established the working framework for both employees and employers.

773 (2021: 1 315) employees belong to trade unions, which represents 36% (2021: 43%) of the total scheduled workforce. Scheduled refers to those employees who are covered by industry-specific bargaining council agreements such as metal and engineering, civil engineering and building industry bargaining councils.

A total of five (2021: seven) trade unions operate within Stefanutti Stocks with stop order facilities in place.

Some of these unions represent the majority of employees within certain disciplines which entitles them to certain organisational rights.

## **CLIENTS**

The continued effects of COVID-19 have demonstrated the importance of having a good relationship with existing clients. Maintaining these relationships has proved to be one of the anchors of the business.

The group upholds its commitment to conducting customer satisfaction surveys to formally engage with clients with the view to continually improve its service offering. This practice has been centralised throughout the group to ensure consistency and standardisation. An analysis of the survey results is monitored at discipline, regional and group levels. Where further intervention is required, a “champion” is delegated to implement.

The group believes that providing a multidisciplinary offering for clients is the correct and competitive approach. In this regard, the group’s various disciplines are yielding positive results and clients are benefiting.

## **SUPPLIERS**

The group’s suppliers and vendors are important stakeholders, and efforts are focused on enhancing and developing these key relationships.

Open channels of communication and engagement are continually promoted between the group and its suppliers. Open and honest feedback from employees and suppliers are encouraged, which enhances and streamlines interaction between the company, its staff and suppliers.

## **ENTERPRISE DEVELOPMENT PARTNERS**

Stefanutti Stocks appreciates the importance of enterprise development (ED). The group ED strategy is to establish and maintain solid working relationships with capable black-owned companies, which are suppliers and contractors. The aim is to develop them in a measurable and meaningful way, and to guide their future sustainability, while enabling them to execute and deliver larger, more challenging projects.

The regional management teams identify and select the ED partner beneficiaries to synergise with group operations.

## **VRP PARTNERS**

The Voluntary Rebuild Programme (VRP) seeks to develop black-owned emerging enterprises into meaningful competitors within the construction sector in a sustainable manner.

The group is in the process of signing a new VRP partner. The new partner would be a beneficiary until the end of the programme in 2024.

## **THE JSE, INDUSTRY BODIES AND GOVERNMENT REGULATORS**

Compliance with the JSE Listings Requirements and the Companies Act continues to be a focus area and is monitored by the company secretarial and finance functions. These functions also monitor the application of King IV with oversight by the various board committees.

## **SHAREHOLDERS AND INVESTORS**

The group’s primary method of interaction with its various shareholders and investors are via announcements released on the Stock Exchange News Service (SENS) of the JSE. These communications inform stakeholders of financial results as well as other matters affecting the financial or regulatory matters pertaining to the group. Additional forms of communication are via the circulation of financial year-end and interim results and reports, group presentations and region specific site visits and meetings.

The executive directors also provide presentations on the group’s performance and strategic progress to employees, the media, institutional investors and financial analysts.

General company information via presentations, corporate actions and financial results, as well as information concerning its management, history, operations and various other matters of interest, is made available on the group’s website.

## **LENDERS**

The group’s Restructuring Implementation Team, which is headed by the Chief Restructuring Officer (CRO), continues to advise on and assist with the development and implementation of a detailed turnaround programme for the group.

At the monthly Restructuring Implementation Team meetings, the group engages with the Lenders, and the following is discussed:

- performance against the Restructuring Implementation Plan;
- cash flows;
- trading results;
- future prospects; and
- other issues relating to the sustainability of the group.

The group envisages this process to continue until the 2023 financial year-end.

# MATERIAL ISSUES

Stakeholder	Material issues	Potential impact on the business	Strategy/action
<b>CLIENTS</b>	<ul style="list-style-type: none"> <li>— Occupational health, safety and the environment</li> <li>— COVID-19</li> <li>— Quality, price and time</li> <li>— Environmental management and compliance</li> </ul>	<ul style="list-style-type: none"> <li>— Fatalities and work stoppages</li> <li>— Penalties and loss of schedules</li> <li>— Reputational damage</li> <li>— Ill health, contagion</li> <li>— Loss of competitiveness</li> <li>— Environmental degradation</li> <li>— Prosecution and fines</li> </ul>	<ul style="list-style-type: none"> <li>— Certified management systems – administrative controls</li> <li>— LE</li> <li>— Effective monitoring and measuring</li> <li>— Administrative controls – COVID-19</li> <li>— Policy and procedures</li> <li>— External, internal and client audits</li> </ul>
<b>COMMUNITIES</b>	<ul style="list-style-type: none"> <li>— Employment opportunities</li> <li>— Transfer of skills/training</li> <li>— Economic participation</li> <li>— Contribution to infrastructure</li> <li>— Unrealistic expectations</li> </ul>	<ul style="list-style-type: none"> <li>— Unrest, work stoppages and strikes by company employees and/or the community for various reasons</li> <li>— Criminal-driven disturbances</li> <li>— Employees’ safety and damage to property</li> <li>— Profitability of project if new community suppliers are introduced to the supply chain after tender is awarded</li> <li>— Possible cancellation of projects due to continuous unrest</li> <li>— Compromised relationship between client and contractor, where poor role clarity exists on responsibility of addressing these issues</li> <li>— Reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>— Education and awareness of the client around community involvement</li> <li>— Education and awareness creation of own employees to deal with community engagement and unrest</li> <li>— Engagement with the community prior to and during projects, to determine expectations and address concerns</li> <li>— Employment of CLO</li> <li>— Information gathering/intelligence</li> <li>— Localisation clauses in contractor and subcontractor agreements to ensure employment and supplier involvement of local communities</li> </ul>
<b>ED PARTNERS</b>	<ul style="list-style-type: none"> <li>— Effective development and support</li> <li>— Initial and sustainable access to the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>— Loss of competitive edge</li> <li>— Impact on B-BBEE scorecard</li> <li>— Loss of business sustainability</li> </ul>	<ul style="list-style-type: none"> <li>— Continual improvement of development programme and selection of partners</li> </ul>
<b>EMPLOYEES</b>	<ul style="list-style-type: none"> <li>— Consistent application of practices and policies</li> <li>— Fair remuneration practices</li> <li>— Communication and feedback</li> <li>— Training and development</li> <li>— Transparency</li> <li>— Economic situation</li> </ul>	<ul style="list-style-type: none"> <li>— Disengaged employees</li> <li>— Low morale</li> <li>— Reputational damage</li> <li>— Negative employee relations</li> <li>— Compromised quality of work</li> <li>— Job insecurity</li> </ul>	<ul style="list-style-type: none"> <li>— Communication and ongoing engagement initiatives</li> <li>— Roll-out of the Stefanutti Stocks Way and Founder’s Mentality</li> <li>— Roll-out of employee engagement form</li> </ul>
<b>LENDERS</b>	<ul style="list-style-type: none"> <li>— Achievement of Restructuring Plan</li> </ul>	<ul style="list-style-type: none"> <li>— Inability of the group to continue as a sustainable business</li> </ul>	<ul style="list-style-type: none"> <li>— Review of Restructuring Plan required by the EXCO, Audit, Governance and Risk Committee (ARCO) and board</li> <li>— Ensure achievement of the Restructuring Plan</li> <li>— Continuous engagement with Lenders through the Restructuring and Implementation Team meeting</li> </ul>
<b>SHAREHOLDERS AND INVESTORS</b>	<ul style="list-style-type: none"> <li>— Return on investment</li> </ul>	<ul style="list-style-type: none"> <li>— Share price volatility</li> <li>— Business sustainability</li> </ul>	<ul style="list-style-type: none"> <li>— Align strategy with shareholder expectations</li> </ul>
<b>SUPPLIERS</b>	<ul style="list-style-type: none"> <li>— Lack of long-term business continuity planning</li> <li>— Dealing with good corporate citizenship</li> <li>— Product support deterioration due to skills drain</li> </ul>	<ul style="list-style-type: none"> <li>— Downtime of equipment and loss of man-hours</li> <li>— Reduction in machinery uptime</li> <li>— Loss of competitive edge</li> </ul>	<ul style="list-style-type: none"> <li>— Dedicated supplier engagement process</li> <li>— Event planning and milestone targets</li> <li>— Dedicated intervention plans to ensure machinery uptime</li> <li>— Optimise price and delivery</li> </ul>
<b>THE JSE, INDUSTRY BODIES AND GOVERNMENT REGULATORS</b>	<ul style="list-style-type: none"> <li>— Compliance with relevant legislation and regulations</li> </ul>	<ul style="list-style-type: none"> <li>— Non-compliance can impact business activities</li> </ul>	<ul style="list-style-type: none"> <li>— Continuous update and training on regulatory requirements</li> </ul>
<b>TRADE UNIONS</b>	<ul style="list-style-type: none"> <li>— Fair labour practice</li> <li>— Compliance with collective agreements</li> </ul>	<ul style="list-style-type: none"> <li>— Labour unrest and strikes</li> <li>— Negative employee relations</li> </ul>	<ul style="list-style-type: none"> <li>— Constant monitoring and review of policies, procedures and relevant labour-related legislation</li> <li>— Compliance</li> <li>— Improved communication</li> </ul>
<b>VRP PARTNERS</b>	<ul style="list-style-type: none"> <li>— Development of systems and procedures to support growth</li> </ul>	<ul style="list-style-type: none"> <li>— Non-compliance to the provisions of the Settlement Agreement</li> </ul>	<ul style="list-style-type: none"> <li>— Strategic initiatives to drive development with partners</li> </ul>

# VALUE-ADDED STATEMENT

	2022 %	2022 R'000	2021 %	Restated 2021 R'000
<b>Based on continuing operations</b>				
<b>Contract revenue</b>		<b>5 968 484</b>		4 691 759
Less: Costs of materials, services and subcontractors		<b>(3 973 955)</b>		(2 466 637)
Value added by operations	<b>98,6</b>	<b>1 994 529</b>	98,8	2 225 122
Investment income	<b>1,0</b>	<b>19 001</b>	1,3	28 430
Share of equity-accounted investees	<b>0,4</b>	<b>8 958</b>	(0,1)	(1 323)
<b>Total value add</b>	<b>100,0</b>	<b>2 022 488</b>	100,0	2 252 229
Distributed as follows:				
<b>Corporate social investment</b>				
Donations and other community investments	<b>0,1</b>	<b>873</b>	0,1	701
<b>Employees</b>				
Short-term and post-employment benefit costs	<b>97,7</b>	<b>1 343 462</b>	92,5	1 417 696
Share-based payment and forfeitable share plan costs	—	—	—	531
<b>Providers of finance</b>				
Interest and finance charges	<b>8,2</b>	<b>112 882</b>	7,5	115 289
Operating lease rentals	<b>3,9</b>	<b>53 452</b>	4,4	68 076
<b>Government</b>				
Taxation	<b>5,7</b>	<b>79 913</b>	6,1	93 387
<b>Value distributed</b>	<b>115,2</b>	<b>1 590 582</b>	110,6	1 695 680
<b>Reinvested in the group</b>	<b>(15,2)</b>	<b>(215 060)</b>	(10,6)	(162 681)
Reserves available to ordinary shareholders	<b>(19,1)</b>	<b>(263 742)</b>	(15,4)	(236 422)
Depreciation	<b>3,9</b>	<b>54 275</b>	4,8	73 741
<b>Total value distributed</b>	<b>100,0</b>	<b>1 381 115</b>	100,0	1 532 999
Value-added ratios				
Number of employees — total operations		<b>5 611</b>		8 693
Less: Employees forming part of discontinued operations		<b>(935)</b>		(1 729)
Number of employees — continuing operations		<b>4 676</b>		6 964
Contract revenue per employee (rand)		<b>1 276</b>		674
Value created per employee (rand)		<b>295</b>		220

# GROUP PERFORMANCE REVIEW

Performance indicator	Definition	Measurement	2022	2021
<b>ECONOMIC</b>				
Contract revenue	Contract revenue is the income that the group generated from its normal business activities	R'000	<b>5 968 484</b>	4 691 759*
Loss attributable to equity holders	The portion of consolidated loss for the year, net of income taxes, which is attributable to the parent	R'000	<b>(415 208)</b>	(287 027)
Earnings per share	Earnings per share is calculated by dividing net earnings by the total number of shares outstanding	cents	<b>(248,27)</b>	(171,62)
Headline earnings per share	Headline earnings are a measurement of a company's earnings based solely on operational and capital investment activities	cents	<b>(97,07)</b>	(155,13)
Net asset value (NAV)	NAV is the value of an entity's assets minus liabilities	R'000	<b>(90 019)</b>	352 568
NAV per share	NAV divided by the number of shares outstanding	cents	<b>(53,83)</b>	210,81
<b>EMPLOYEES</b>				
Total number of employees RSA operations	Number of employees in RSA	number	<b>3 080</b>	3 956
Total number of black employees**	Number of black employees in RSA	number	<b>2 700</b>	3 504
Training and development spend	Rand value of training spend in RSA	Rm	<b>8,1</b>	7,4
% of spend in South Africa (SA) on black employees**	Percentage of training spend on black employees in RSA	% of total	<b>92,6</b>	87,6
Total number of bursaries, learnerships and apprentices	Number of bursaries, learnerships and apprentices in RSA	number	<b>80</b>	80
Black bursaries, learnerships and apprentices	Percentage black bursaries, learnerships and apprentices in RSA	% of total	<b>85,2</b>	73,8
Black women bursaries, learnerships and apprentices	Percentage black female bursaries, learnerships and apprentices in RSA	% of total	<b>20</b>	11,3
<b>TRANSFORMATION AND LOCAL ECONOMIC DEVELOPMENT</b>				
B-BBEE rating	B-BBEE is a form of economic empowerment initiated by the South African Government	Construction Codes	<b>1</b>	1
RSA-based black employees**	Percentage of black employees in RSA	% of total RSA employees	<b>87,7</b>	88,5
RSA-based women	Percentage of female employees in RSA	% of total RSA employees	<b>14,4</b>	13,4
RSA-based black managers and supervisors**	Percentage of black managers and supervisors in RSA	% of total RSA employees	<b>16,2</b>	18,4
RSA-based female managers and supervisors	Percentage of female managers and supervisors in RSA	% of total RSA employees	<b>2,1</b>	2,8
Corporate social investment (CSI) in community programmes	CSI encompasses projects that are external to the normal business activities of a company and not directly for purposes of increasing company profit	R'000	<b>873</b>	701
Enterprise development	Investing time and capital to help people establish, expand or improve business	R'000	<b>1 615</b>	1 272

\* Financial information has been restated.

\*\* Black employees include African, Coloured and Indian.

## GROUP PERFORMANCE REVIEW CONTINUED

Performance indicator	Definition	Measurement	2022	2021
<b>HEALTH</b>				
Noise-induced hearing loss (NIHL)	Loss of hearing caused by the employees' occupation	Number of cases referred to a doctor	157	48
Number of random drug tests	Surveillance measurement in terms of the company's substance abuse policy	Number of drug tests	1 019	1 287
% of random drug tests that were positive	Result of test done where employees were identified as using a substance	Percentage of total	2	5
TB questionnaires completed	Surveillance measurement in terms of the company's dread disease policy	Number of TB questionnaires completed	1 359	1 592
Number of TB cases	Result of test done where employees were identified with TB	Number of cases referred to a doctor	—*	—*
<b>SAFETY</b>				
Fatalities	Any work-related death caused during the employees' occupation	Number of fatalities	—	1
Lost-time injury rate	Any work-related injury where the person lost productive days caused during the employees' occupation	Lost-time injury frequency rate	0,03	0,03
Total recordable case rate	Any work-related injury where the person received medical treatment from an occupational health practitioner caused during the employee's occupation	Recordable case rate	0,28	0,35
ISO 45001 Management System	An international standard for occupational Health and Safety management systems	% of certified management systems within the organisation	100	100
<b>ENVIRONMENTAL</b>				
Major environmental deviation frequency rate	Number of major non-conformances and significant incidents in relation to total man-hours worked	Deviation frequency rate	0,2	0,3
ISO 14001 Management System	An international standard for environmental management systems	Percentage of certified management systems within the organisation	100	100
Legal summons received	Any official legal instruction received from the national prosecutor for environmental transgressions	Number of summons received	—**	—**
Scope 1	Carbon emissions for non-renewable resources used	tonnes	50 171	44 211
Scope 2	Carbon emissions for electricity used from the national grid	tonnes	12 762	1 959

\* No tests conducted in the current year.

\*\* No summons received in the current and previous year.

# ENERGISED AND ENGAGED EMPLOYEES

## INVOLVED WITH OUR PEOPLE

### Introduction

The group remains focused on implementing the strategic driver “Energised and Engaged Employees”, as employees are key to its success.

Underpinned by its Founder’s Mentality, the company encourages an entrepreneurial spirit at the workplace. The resulting positive attitude and mindset of the group’s employees differentiate Stefanutti Stocks from its peers and creates a competitive advantage, culminating in on-time and quality project delivery.

The group continues to invest in developing its people and providing a workplace where employees are expected to be responsible, accountable and take ownership of their respective roles. By following this approach, the group is developing energised and engaged employees.

Deeply entrenched human resource practices support and facilitate an employee value proposition that ensures a strong employee affiliation with the company brand.

### Current focus areas

The key focus areas for the year included the following:

- In-depth focus on B-BBEE initiatives to maintain the group’s Level 1 Contributor status.
- A continued drive to roll out the employee engagement template, the progress of which has been hampered by the restructuring process.
- Significant progress in implementing a retention strategy for key talent.
- Successful implementation of regional structures.
- Review and approval of the new EE plans to be more aligned to the regional structure.

## OTHER INITIATIVES

### Employee wellness programme

The group continues to support employees through a professional employee wellness programme, which promotes good health and well-being in the workplace and at home.

A confidential, free-of-charge service is available to employees on a 24/7/365 days basis and provides the following services:

- **Telephonic counselling** is provided to assist employees dealing with day-to-day challenges such as stress, substance abuse or relationship difficulties at home or at work.
- **Face-to-face counselling** is provided by an appropriate professional, at a convenient time and place.
- **Trauma counselling** is provided where necessary, and deals with events such as hijacking, robbery, loss of family members and safety incidents on site.
- **Financial advice** is provided to assist employees with financial matters, such as budgeting, debt management, basic financial planning and garnishee orders.

- **Legal advice** is provided to employees telephonically on matters such as marital, maintenance and custody law, as well as contract-related issues.
- **Managerial referrals** provide support to employees and managers alike when personal issues (that require professional counselling) cause a deterioration in an employee’s performance at work.

### Engagement overview and management support

- The company’s individual utilisation rate decreased from 3,1% to 1,5% during the year, which remains lower than the industry average of 6,9%.
- In addition, the group intervention participant rate increased to 0,4% from 0,21%, below the industry benchmark of 1,9%. Thirteen individuals were assisted in a group context, for group trauma and family intervention.
- Overall, engagement decreased from 6,4% to 5,1% year-on-year, still well below the industry average of 11,3%.
- Managerial usage increased during the period from 18,6% to 20,0% which remains above the industry benchmark of 15,4%. There were no formal referrals during the period (1 case in 2021).
- Presenting problems:
  - Relationship issues continue to be the highest presenting problem cluster, representing 23% (Feb 2021: 30%) of total presenting problems. Problems include conflict with partner/spouse/family members, interpersonal conflict, divorce/separation, infidelity, and emotional abuse.
  - Mental health issues decreased from 19,2% to 16,8%. Key issues managed include stress, anxiety and depression. A few issues relating to depression were also addressed.

The effects of the COVID-19 lockdown have contributed to the abovementioned presenting problems.

- Risk management:
  - There were four risk cases flagged, one for potential substance abuse, one for moderate substance abuse and two for suicide.
  - The individuals struggle with various issues and received assistance through telephone and face to face counselling and/or clinical information. One case has been resolved while three are still in progress.

### Employee wellness days

A strong emphasis was placed on financial wellness due to ongoing restructuring in the business, with registered professionals providing financial advice to employees.

No wellness day was held for the current year.

## CLINICAL CARDIOVASCULAR DISEASE RISK FACTORS

Clinical risk	Description	Percentage of employees (%)	
		2022	2021
Estimated body fat percentage	Employees with an estimated body fat% that is not acceptable	14	37
Blood pressure (BP) (systolic)	Employees classified as being above acceptable range. Systolic readings (higher reading of BP) is > 120mmHg and/or diastolic readings (lower reading of BP) is > 80mmHg.	27	15
Total cholesterol	Employees with cholesterol readings over 5,2 mmol/L	None tested	11
Glucose	Employees with glucose readings over 7,8 mmol/L	3,3	0,3
Smoking	Employees who are presently smoking	23	19

**Medical surveillance programme**

The company's designated medical services provider operates in terms of a service level agreement with the group. During the year under review, a total of 2 626 medical examinations were conducted

Medical surveillance services include the following:

- Pre-employment medical screenings that facilitate the placement of workers according to job specifications.
- Multi-drug testing.
- Health risk assessments, which include body mass index indicators with 34,68% within the normal range and 35,48% in the obesity range.
- Health risk assessments identified 232 smokers, which enables the group to initiate health awareness campaigns and assistance to smokers willing to stop.
- Medical examinations, including annual, exit and ad hoc examinations to assist with health issues and are recorded and reported in terms of legislative requirements.
- Coordinated follow-ups, referrals and administration on the health of the workforce.
- Employee education on general health and workplace risks.
- Chronic disease management for employees including TB and HIV/Aids. Results included 4 controlled asthmatics with 2 uncontrolled, 12 controlled diabetics with 12 uncontrolled, 55 controlled hypertensives and 22 uncontrolled.

**Employee benefits**

In terms of remuneration and benefits, the group's approach aligns with market trends and best practice. The remuneration policy ensures that employees are rewarded fairly within the legislative requirements.

Depending on their employment status, employees receive various group benefits. Permanent and temporary employee benefits, as applicable in South Africa, are mentioned below and all employees' retirement benefits are in accordance with defined contribution plans.

Permanent employees receive:

- Retirement benefits
- Medical aid cover (compulsory for salaried employees only)

- Death and disability cover
- Funeral cover
- Educational benefits
- Repatriation benefits
- Various support systems

Temporary employees receive:

- Accidental death and disability cover
- Funeral cover

In accordance with the Basic Conditions of Employment Act, employees are entitled to the prescribed annual, sick, family responsibility and maternity leave. Additional leave days are allocated, based on collective bargaining agreements and the group's policies and procedures.

To assist in skills development, employees are also allocated study leave.

Parental leave includes maternity leave and family responsibility leave when a child is born. All 3 080 employees in South Africa are entitled to parental leave. For the year under review, the company had a 94% (2021: 100%) return-to-work rate after parental leave ended. 56% (2021: 67%) of employees that took parental leave were still employed 12 months after returning to work.

Regarding the group's cross-border operations, expatriate remuneration and benefits are determined by host country legislations.

**Management approach**

The group's employment and labour relations policies and procedures and collective bargaining agreements all adhere to the applicable South African labour legislation and the laws of other geographies in which it operates. The Labour Relations Act regulates minimum notice periods for termination of employment due to operational requirements.

The group subscribes to the principles and approach of the United Nations Global Compact for Human Rights and Labour (UNGCHRL) across all operations. Measures exist to ensure that the group and its subcontractors uphold these principles, more particularly relating to the use of child labour.

Stefanutti Stocks is committed to:

- Protecting the right to freedom of association;
- Recognising the right to collective bargaining;
- The elimination of all forms of forced labour;
- The abolition of child labour; and
- The elimination of employment and occupation discrimination.

The company continually reviews its policies, procedures, practices and the work environment to ensure the promotion of equality, and alignment with any relevant changes in legislation. The Human Resource Forum holds monthly meetings to discuss and deal with any issues of possible non-adherence.

One case of assault and three cases of sexual harassment were reported. In all cases, the necessary disciplinary process was followed, with appropriate action taken in line with the company's disciplinary code.

The group further monitors the promotion of equality in the workplace and the removal of unfair discrimination practices by enforcing the provisions of employment equity legislation, in addition to its compliance with the United Nations Global Compact for Human Rights and Labour (UNGCHRL) principles.

Various unions represent scheduled employees at bargaining council level, where wage rates are determined in negotiated collective agreements and are implemented accordingly.

Stefanutti Stocks is a member of and participates in the following industry associations:

- South African Forum of Civil Engineering Contractors (SAFCEC)
- Master Builders Association (MBA)
- Steel and Engineering Industries Federation of South Africa (SEIFSA)

The company participates in shaping the future of the construction industry by providing its Human Resources (HR) expertise to SAFCEC.

In total, 36% (2021: 43%) of hourly-paid employees are unionised, and are represented by the following unions:

- Association of Mineworkers and Construction Union (AMCU)
- Building Construction Allied Workers Union (BCAWU)
- Metal and Electrical Workers Union of South Africa (MEWUSA)
- National Union of Metal Workers of South Africa (NUMSA)
- National Union of Mineworkers (NUM)

Hourly-paid employees account for 69,6% (2021: 74,6%) of the group's total staff complement, and fall under the following bargaining councils with existing collective agreements:

- Bargaining Council for the Civil Engineering Industry (BCCEI)

- Building Industry Bargaining Council (BIBC)
- Metal and Engineering Industries Bargaining Council (MEIBC)
- National Bargaining Council for the Electrical Industry (NBCEI)

On commencement of employment with the group, employees undergo an induction process and are provided with the relevant company policies and procedures. These documents are available in both printed and soft copy, via the group's relevant HR departments and the online electronic portal.

## Performance

### Staff complement

As at 28 February 2022 the total staff complement for the group was 5 611 (2021: 8 693) employees, excluding temporary employment service employees with 3 080 (2021: 3 956) local employees and 2 531 (2021: 4 737) based beyond South African borders. A further 1 309 (2021: 269) were local temporary employment service employees.

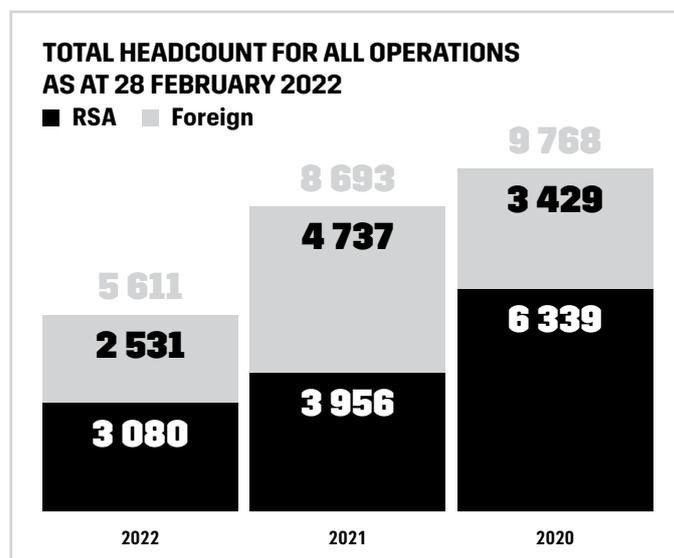
The group's staff complement fluctuates because of the specific requirements and durations of projects. Calculated on total headcount, avoidable employee turnover for the year was 6,5% (2021: 9,8%). The percentage of newly appointed employees, including those employed on limited duration contracts, was 37% (2021: 37%) of the company's total RSA headcount.

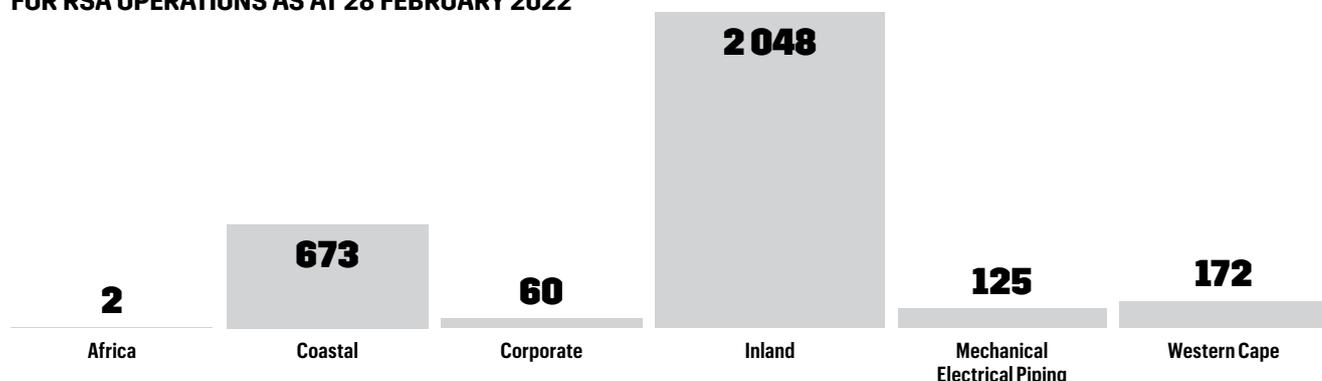
For further information, refer to the table Total Employee Turnover by Type on page 17.

Subcontractors provide certain operational requirements and are not included in this report.

### Future key focus areas

- An ongoing focus on B-BBEE.
- Implementation of the new revised EE plans to ensure a transformed and diverse organisation.
- Continue to roll out the employee engagement template as part of the group's performance management tools to enhance talent management initiatives.
- Retention strategy for key talent.



**TOTAL HEADCOUNT PER REGION  
FOR RSA OPERATIONS AS AT 28 FEBRUARY 2022**

**HEADCOUNT FOR FOREIGN OPERATIONS AS AT 28 FEBRUARY 2022**

Country	2022	2021	2020
Botswana	276	830	407
Eswatini	922	1 002	579
Mozambique	461	1 338	1 023
Namibia	—	1	1
Nigeria	—	291	286
United Arab Emirates (Al Tayer Stocks)	—	513	615
Zambia	851	762	518
Zimbabwe	21	—	—
<b>Total</b>	<b>2 531</b>	<b>4 737</b>	<b>3 429</b>

**HEADCOUNT BY APPOINTMENT TYPE, EMPLOYMENT TYPE AND GENDER FOR RSA OPERATIONS AS AT 28 FEBRUARY 2022**

	2022	%	2021	%	2020	%
<b>Permanent employees</b>	<b>1 771</b>	<b>57,5</b>	2 271	57,4	3 721	58,7
<b>Youth (18 to 34 years)</b>	<b>341</b>	<b>19,3</b>	496	21,8	1 001	26,9
— Male	1 524	49,5	1 983	50,1	3 170	50,0
— Female	247	8,0	288	7,3	551	8,7
<b>Contract employees</b>	<b>1 309</b>	<b>42,5</b>	1 685	42,6	2 618	41,3
Male	1 113	36,1	1 440	36,4	2 215	34,9
Female	196	6,4	245	6,2	403	6,4
<b>Total employees</b>	<b>3 080</b>	<b>100,0</b>	3 956	100,0	6 339	100,0
<b>Employment type</b>						
Salaried	941	30,6	1 081	27,3	1 545	24,4
Hourly paid	2 139	69,4	2 875	72,7	4 794	75,6
<b>Male</b>	<b>2 637</b>	<b>85,6</b>	3 423	86,5	5 385	85,0
Salaried	699	22,7	810	20,5	1 143	18,1
Hourly paid	1 938	62,9	2 613	66,0	4 242	66,9
<b>Female</b>	<b>443</b>	<b>14,4</b>	533	13,5	954	15,0
Salaried	242	7,9	271	6,9	402	6,3
Hourly paid	201	6,5	262	6,6	552	8,7

## TOTAL EMPLOYEE TURNOVER BY TYPE: RSA OPERATIONS

THE TABLE REPRESENTS TOTAL TERMINATIONS (AVOIDABLE AND UNAVOIDABLE) FOR THE YEAR

	2022 terminations	2022 % of total turnover	2021 terminations	2021 % of total turnover	2020 terminations	2020 % of total turnover
Avoidable (resignations, dismissals due to misconduct)	200	9,5	333	9,8	603	17,4
Unavoidable (death, retirements, dismissals due to operational requirements and ill health)	509	24,2	1 396	41,0	557	16,0
End of contract	1 391	66,3	1 679	49,2	2 315	66,6
	<b>2 100</b>		<b>3 408</b>		<b>3 475</b>	

## PARENTAL LEAVE

Occupational level	2022			2021			2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Employees entitled to parental leave	2 637	443	3 080	3 423	533	3 956	5 385	954	6 339
Employees taking parental leave	5	13	18	27	105	132	78	44	122
Employees returning to work immediately after parental leave	5	12	17	27	105	132	78	44	122
Employees that were still employed 12 months after taking parental leave	2	8	10	21	67	88	69	37	106

## DEVELOPING OUR PEOPLE

### Introduction

The group continued to focus on developing the various skills of the employees despite the negative impact and challenges of COVID-19, the ongoing restructuring programme and the unfavourable economic climate. While continuing with operational training, programmes and bursaries, certain internal programmes had to be postponed in order to save additional costs.

### Current and future key focus areas

The Stefanutti Stocks Academy provides training to employees. During the year, the Academy focused on the following key areas:

- Developing and registering essential courses and programmes as needed by the regions.
- Continuously improving its existing programmes to ensure that they remain relevant to the needs of the business and requirements of the construction industry as a whole.
- Investigating the possibility and viability of incorporating skills such as bricklaying into the existing internal offering.
- Moving away from servicing only certain regions, focus has shifted towards servicing the entire group.

- The Workplace Skills Plan (WSP) and Actual Training Report (ATR) have been consolidated into one Skills Development Levy (SDL) number for the Construction Education and Training Authority (CETA), which is in line with the new regionalised structure.

In the year ahead, the Academy will continue to focus on these areas.

The group invested R8 million (2021: R7,5 million) in skills development and training. This amount excludes employees' salaries while receiving training.

The group sponsored a further 17 (2021: 28) scholarships through the Maharishi Invincibility Institute (MII), to the value of R2,5 million (2021: R3,9 million).

10 (2021: 18) black scholarship candidates continued to attend a four-year Project Management business degree with a minor in Green Construction Management and Sustainability, while the other 7 (2021: 10) scholarships are still focused on black disabled candidates, affording them the opportunity to attend a full one-year qualification in Production and Manufacturing.

### Management approach

The Academy maintained its accreditation with the Mining Qualifications Authority (MQA) and CETA. The group is in the process of migrating the full MQA accreditation to CETA in the next year.

## ENERGISED AND ENGAGED EMPLOYEES CONTINUED

### PROFESSIONAL REGISTRATIONS (EXCLUDING FOREIGN NATIONALS)

	Candidates					Professionals					Registered in FY2022				
	All	Female	Female (%)	Black	Black (%)	All	Female	Female (%)	Black	Black (%)	All	Female	Female (%)	Black	Black (%)
Inland	42	14	33,3	37	88,1	54	6	11,1	26	48,1	4	—	—	3	75,0
Coastal	21	5	23,8	17	81,0	31	8	25,8	19	61,3	4	1	25,0	1	25,0
Western Cape	4	1	25,0	3	75,0	8	—	—	7	87,5	2	1	50,0	2	100,0
Mechanical Electrical Piping	1	—	—	1	100,0	7	2	28,5	2	28,5	—	—	—	—	—
<b>Total</b>	<b>68</b>	<b>20</b>	<b>29,4</b>	<b>58</b>	<b>85,3</b>	<b>100</b>	<b>16</b>	<b>16,0</b>	<b>54</b>	<b>54,0</b>	<b>10</b>	<b>2</b>	<b>20,0</b>	<b>6</b>	<b>60,0</b>

### TRAINING SPEND BY GENDER AND RACE (EXCLUDING SALARY COSTS)

R'000	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Bursaries	1 568	458	152	52	539	225	107	20	<b>3 121</b>
Professional registrations	177	56	7	168	61	7	6	10	<b>492</b>
Learnerships	226	21	—	—	—	—	—	—	<b>247</b>
Apprenticeships	236	—	—	35	36	—	—	—	<b>307</b>
Non-CETA aligned training and seminars	2 790	243	192	269	304	41	33	48	<b>3 920</b>
<b>Total</b>	<b>4 997</b>	<b>778</b>	<b>351</b>	<b>524</b>	<b>940</b>	<b>273</b>	<b>146</b>	<b>78</b>	<b>8 087</b>
No. of course attendances	3 199	274	117	351	225	26	19	29	<b>4 240</b>

### EMPLOYEES TRAINED

	Female	Male	Total	% of total trained
African	92	1 291	<b>1 383</b>	83
Coloured	13	94	<b>107</b>	6
Indian	10	33	<b>43</b>	3
White	16	112	<b>128</b>	8
<b>Total</b>	<b>131</b>	<b>1 530</b>	<b>1 661</b>	<b>100</b>

### TRAINING TIME (AVERAGE HOURS PER EMPLOYEE)

	Female	Male	Total
African	7,50	10,80	<b>18,30</b>
Coloured	0,47	5,50	<b>5,97</b>
Indian	0,39	0,42	<b>0,81</b>
White	0,60	0,90	<b>1,50</b>
<b>Total</b>	<b>8,96</b>	<b>17,62</b>	<b>26,58</b>

## Professional registrations

At year-end there were 100 (2021: 299) professionally registered employees, of whom 54 (2021: 78) are black employees and 16 (2021: 26) are female. The group continues to support and encourage its employees to register with professional industry bodies in their respective occupational fields.

During the year 10 (2021: 12) candidates continued to gain the qualifications and experience required to register professionally, 6 (2021: 9) of whom are black employees and two (2021: nil) are female.

The group's respective employees apply for professional registrations in the following fields:

- South African Council for the Project and Construction Manager Professions (SACPCMP) – Construction Managers, Construction Project Managers, Construction Health and Safety Officers and Managers
- Engineering Council South Africa (ECSA) – Professional Engineers, Technicians and Technologists
- South African Council for the Quantity Surveying Professions (SACQSP) – Professional Quantity Surveyors
- South African Board for People Practitioners (SABPP) – Chartered, Master and Professional HR Practitioners
- South African Institute of Chartered Accountants (SAICA) – Chartered Accountants
- Institute of Internal Auditors South Africa (IIASA) – Internal Auditors
- Institute of Directors of South Africa (IODSA) – Company Directors

The table on page 18 reflects all professional registrations for the group.



## Training and skills programmes

### Bursaries

The group provided financial assistance to selected students and employees, allowing them to further their development at recognised educational institutions. A total of 58 (2021: 58) South African students and employees benefited from the bursary scheme, 34% (2021: 31%) of whom were female employees, and 82% (2021: 59%) were black.

The group spent R3,1 million (2021: R1,2 million) on bursaries in the following disciplines:

- BSc Construction Management, Civil Engineering
- MSc Engineering Management
- MBA
- Masters Contract Law
- BEng Civil Engineering
- BCom Financial Management, Marketing and Business Management, Law, Treasury Management
- BTech Civil Engineering, Construction Management, Quality, Quantity Surveying, Surveying
- National Diploma Civil Engineering, HR Management, Construction, Management, Mechanical Engineering, Safety Management
- BA Disaster and Safety Management
- Advanced Project Management

### Apprenticeships

The group spent R0,3 million (2021: R0,75 million) on apprenticeships. Of the total of 15 (2021: 20) apprentices, four are black and two are female.

## TRAINING SPEND

	FY 2022			FY 2021		
	Salaried employees	Hourly paid employees	Total	Salaried employees	Hourly paid employees	Total
Spend (R'000)	3 455	4 632	8 087	2 723	4 706	7 429
% split	42,7	57,3	100,0	36,7	63,3	100,0
	Inland	Coastal	Western Cape	Mechanical Electrical Piping	Total	
Amounts per region (R'000)	3 454	1 380	2 509	744	8 087	
% Split	42,7	17,1	31,0	9,2	100,0	
	FY 2022		FY 2021			
	No. of employees	Spend per employee (R)	No. of employees	Spend per employee (R)		
Training per employee (including employees on limited duration contract)	3 965	2 040	4 009	1 853		
	No. of disabled employees trained	Training on disabled employees (R)	No. of disabled employees trained	Training on disabled employees (R)		
	Disabled employees	5	24 660	8	14 744	

**Learnership programmes**

The group spent a total of R248 000 (2021: R265 000) on learnerships.

Learnership opportunities were offered in the following fields:

- NQF 4 National Certificate in Supervision of Civil Engineering Processes
- NQF 5 National Diploma in Management of Civil Engineering Processes

**Health and safety training**

The group places significant focus on health and safety training and has trained its employees and non-employees on one or more of the following health and safety courses:

- Basic Fire Fighting
- Health and Safety Representative
- First Aid
- Legal Liability
- Hazard Identification and Risk Assessment
- Confined Space
- Emergency Awareness
- OHS Act and Regulations
- Working at heights
- Incident Investigation

The group spent a total of R1,25 million on health and safety training for a total of 1 011 employees and non-employees of whom 949 were from designated groups and 59 were female.

**Stefanutti Stocks Academy**

During the year under review, 219 (2021: 452) operators were trained at the Academy, all of whom were from designated groups (2021: 440) and 13 (2021: 53) were female. In addition, 216 (2021: 481) employees (459 interventions (2021: 659)) received training on various construction skills courses, with 213 (2021: 477) from designated groups, of which 18 (2021: 54) were female.

The courses provided included:

- Novice — articulated dump truck, front end loader, rigid dump truck, water bowser, fuel bowser, hydraulic excavator, motor grader, track dozer, drill and piling rig, small plant, light delivery vehicle.
- Recertification — articulated dump truck, bottom dumper, front end loader, fuel bowser, hydraulic excavator, motor grader, rigid dump truck, roller, skid steer loader, tipper truck, track dozer, tractor loader backhoe, water bowser.

The Academy also offers construction skill courses such as Solid Foundations (PPE, Hand Tools, Safety Awareness and Environmental), Basic Concrete and Basic Formwork. The Academy trained 242 (2021:126) employees in one or more of the above courses. In addition, the group trained 51 individuals through community upliftment initiatives, of which 46 were from designated groups and 4 were female.



**TRANSFORMED AND DIVERSE ORGANISATION**

**Introduction**

Stefanutti Stocks is committed to the principles and implementation of B-BBEE within the group and its operations. The group supports the B-BBEE Act and the Codes of Good Practice for B-BBEE in South Africa as an effective means to address the economic and social inequalities that exist in the country.

The Revised Construction Sector Codes were promulgated on 1 December 2017. The group’s current scorecard dated August 2021, is based on the Revised Construction Codes of Good Practice. Stefanutti Stocks’s status remained a Level 1 Contributor, with black ownership calculated at 64,28% declining from 81,27% in 2021.

Stefanutti Stocks plays an active role in the Construction Sector Charter Council and is represented on the technical team advising on the implementation of the revised Construction Sector Codes.

The group’s preferential procurement objective is to facilitate B-BBEE supplier participation in the mainstream economy, through access to the company’s procurement activities. In implementing this objective, the group advises its currently non-compliant B-BBEE suppliers to become compliant and is supportive when engaging and/or doing business with black empowered, exempt micro enterprises (EME) or qualifying small enterprises (QSE) suppliers.

The role of EMEs and QSEs is critical in South Africa, both for job creation and economic growth.

In pursuit of its preferential procurement objectives, the group actively seeks new vendors and gives preference to B-BBEE-compliant vendors that guarantee performance, quality and safety standards, while maintaining competitive pricing.

The company prefers to do business with vendors that have achieved a minimum B-BBEE Level 6 Contributor rating.

**B-BBEE scorecard — August 2021**

Stefanutti Stocks’s latest B-BBEE certificate is on page 46. Summarised below are the respective elements of the group’s current B-BBEE scorecard, namely: ownership, management control, employment equity, skills development, preferential procurement, enterprise development, and socio-economic development.

**Ownership**

In terms of its August 2021 verification, the group’s black ownership decreased from 81,27% to 64,28% and its black woman ownership decreased from 8,34% to zero. Compliance with regard to this element of the scorecard proportionally declined from 85,33% to 78,40%.

## Management control

42,86% of the company's exercisable voting rights are held by black board membership, all of whom are black women. The group's top executive black management has remained the same since 2021. The company's compliance with this element remains at 60,30% (2021: 60,30%).

## Employment equity

The group's August 2021 employment equity score increased marginally from 70,63% to 70,97%.

## Skills development

The company's skills development score decreased slightly to 119,03% from 119,51% in 2021, as did the verifiable training spend on black people from R67,69 million in 2021 to R39,76 million in 2022.

## Preferential procurement

Stefanutti Stocks's score for preferential procurement improved to 100% (2021: 98,73%).

## Enterprise development

The company's score for ED remained at 100%.

## Socio-economic development

The company remained at a score of 120% with regard to the socio-economic development (SED) element, investing over R0,87 million on SED initiatives (2021: R0,7 million).

## TRANSFORMED AND DIVERSE ORGANISATION EE PROFILE AS AT 28 FEBRUARY 2022

Occupational level	Female					Male					Foreign			Total
	African	Coloured	Indian	White	Total Female	African	Coloured	Indian	White	Total Male	Female	Male	Total Foreign	
Top management	—	—	—	1	<b>1</b>	1	—	—	4	<b>5</b>	—	—	—	<b>6</b>
Senior management	—	1	1	1	<b>3</b>	5	3	3	45	<b>56</b>	—	1	<b>1</b>	<b>60</b>
Professional	3	3	5	19	<b>30</b>	45	9	18	120	<b>192</b>	—	7	<b>7</b>	<b>229</b>
Skilled	65	17	17	42	<b>141</b>	365	55	31	105	<b>556</b>	1	15	<b>16</b>	<b>713</b>
Semi-skilled	64	7	6	22	<b>99</b>	891	14	5	9	<b>919</b>	1	23	<b>24</b>	<b>1 042</b>
Unskilled	160	5	—	1	<b>166</b>	848	4	2	1	<b>855</b>	1	8	<b>9</b>	<b>1 030</b>
	<b>292</b>	<b>33</b>	<b>29</b>	<b>86</b>	<b>440</b>	<b>2 155</b>	<b>85</b>	<b>59</b>	<b>284</b>	<b>2 583</b>	<b>3</b>	<b>54</b>	<b>57</b>	<b>3 080</b>

## EMPLOYEES DEEMED AS PREVIOUSLY DISADVANTAGED INDIVIDUALS (PDIs)

Racial group	2022	2021	2020
African	<b>2 492</b>	3 268	5 354
Coloured	<b>118</b>	142	198
Indian	<b>90</b>	94	130
White female*	<b>86</b>	104	146
	<b>2 786</b>	3 608	5 828
<b>Total RSA employees</b>	<b>3 080</b>	<b>3 956</b>	<b>6 339</b>
<b>Employees deemed PDIs (%)</b>	<b>90,5</b>	<b>91,2</b>	<b>91,9</b>

\* This table is governed by the Employment Equity Act

## REMUNERATION FOR MEN AND WOMEN PER OCCUPATIONAL LEVEL

Occupational level	2022	2021	2020
Senior management	<b>1:0,54</b>	1:0,67	1:0,61
Middle management	<b>1:0,78</b>	1:0,78	1:0,77

# CASE STUDY

## SKILLS DEVELOPMENT



### Giving talented young people meaningful access to the economy

In the current financial year, Stefanutti Stocks funded 18 scholarships, to the value of R2,5 million, through the MII Bursary Fund. The MII is a registered non-profit organisation and a tax-exempt public-benefit organisation.

The Johannesburg-based independent day school and college was established in 2009 and forms part of an international network of award-winning schools across 65 countries using consciousness based education. This approach is founded in the philosophy that people are better able to realise their potential with academic development.

As part of its academic philosophy the MII seeks to support South African industry by developing specific skills that are necessary to take the economy forward. It selects and interviews high potential black youths from underprivileged socio-economic backgrounds, from South Africa and other African countries, who have completed their matric and passed Mathematics and English.

For qualifying candidates who have not completed matric, there is access via special educational pathways. The MII offers a one-year foundational programme focused on addressing the gaps in fundamentals such as English, Mathematics, Digital Literacy, Business Acumen, Self-Development Programmes and Psycho-Social Support.

Stefanutti Stocks's ongoing contribution supports 10 black disabled candidates studying towards a one-year qualification in manufacturing and engineering and 18 black candidates studying towards a four-year project management business degree with a minor in green construction management and sustainability.

### ONE YEAR-LEARNERSHIP

During the year, five female and five male unemployed beneficiaries, aged between 18 and 29 years participated in the year-long MERSETA accredited manufacturing, engineering and related activities certificate course. The certificate is offered by Training Force in Johannesburg, and the course's skills outcomes include:

- Describing and explaining a specific manufacturing, engineering or assembly process, relating the tools and materials to the process and explaining the science and technology which underpins the conversion processes;
- Demonstrating, in the process of assessment, the use of appropriate numeracy and communication skills;
- Describing and explaining, in the context of a specific workplace environment, the procedures and policies which govern that specific working environment;
- Describing and explaining the purpose of a specific business; and
- Describing and explaining how the NQF enables learners to select a learning path and identifying the skills and qualifications that will enable them to achieve their goals and targets.

### FOUR-YEAR SPONSORED PROGRAMME

Earlier in the year, 18 beneficiaries who had completed the institute's one-year foundational programme were selected to join the Stefanutti Stocks four-year sponsored programme. Most students range from 20 to 26 years old, with one 43-year-old male student. Of the 18 students selected, 12 are female and 6 are male.

The scholarships cover the full duration of the bursar qualifications and include tuition, books and materials, files for every course, all examination fees/industry examination fees, clothing support, counselling, mentorship, daily lunch and multiple self-development activities including meditation, camps and visits to a nature reserve.

During the first year, students develop core business skills, further their fundamental skills in business English and Mathematics, and focus on their own personal development. In their second year, in addition to their business management studies, students are supported in getting a learner's licence, a code 10 driver's licence and a public driving permit.

The students are exposed to sustainable methods in construction, including at the MII Ezemvelo campus in Bronkhorstpruit, where they will be taught to make hydraform blocks with the hydraform block machine, as well as construct units with these blocks. The final two years of the programme will see them complete a degree in Business Administration, additional courses on project management and sustainable methods in construction, and in the final year, a vocational Sector Education and Training Authority (SETA) course in construction.

Stefanutti Stocks has committed a financial contribution of R2,1 million to the MII, for skills development in the year ahead.

# CASE STUDY

# SKILLS DEVELOPMENT



## The group's accredited in-house training facility

### INTRODUCTION

Stefanutti Stocks's training facility in Chloorkop officially opened in September 2014 and includes two mobile operator-training simulators and an in-house apprentice/artisan training and trade test preparation facility.

The in-house training for artisans was partly motivated by a need to ensure service level continuity and maintain the quality of workmanship required by the group's construction disciplines. The group employs a rich pool of skilled and qualified mechanics, who are key to the process of mentoring and training the group's next generation of artisans.

### APPRENTICESHIPS

In early 2022, three new apprentices were employed on limited duration contracts. With the aim of qualifying as Earthmoving Equipment Mechanics, Phase 1 training has begun, under the supervision of a senior training officer.

A total of 15 apprentices are currently employed at various stages of progress. The apprenticeship is four years long, and each year begins with an eight-week long theoretical block. Next, apprentices begin their practical workplace exposure which takes place either at the group's Chloorkop workshop, or at one of the disciplines' projects, where they serve as the site mechanic's "right hand".

On completion of their fourth year, the apprentices will work for Stefanutti Stocks for another nine months. Following that, they attend an external training centre for pre-trade testing and will ultimately write their trade test at MERSETA. The aim is to employ them within the group once they have qualified in their trade.

### IN FOCUS: PORTIA MAKUYA — DIESEL MECHANIC APPRENTICE

24-year-old Portia Makuya from Venda started her apprenticeship in 2022 and is working towards qualifying as a diesel mechanic. She successfully applied in late 2021 after completing her N3-N6 mechanical engineering studies, after which she was unable to complete two apprenticeships. Portia is one of many young South Africans that has embarked on artisan training, who after completing their theoretical blocks were unable to be placed for work experience by the respective training institutes.

Portia twice endured the stress of uncertainty as she waited for her practical placements that never materialised due to a shortage of work opportunities in the subdued construction market. Her patience and tenacity paid off when she received a call to begin her practical placement with Stefanutti Stocks in January 2022. Portia values her diesel mechanic apprenticeship and learns many new things each day.

According to her senior training officer, Portia's positive attitude towards learning makes her an asset to the Stefanutti Stocks apprenticeship programme, where she works hard in the workshop, putting what she has learnt into practice.

To expose the new intake of apprentices to the different types of plant and equipment the group owns and maintains, site visits are conducted during the eight-week theory block. The site visits give apprentices the opportunity to learn about everything from mining trucks, to geotechnical and piling rigs, to bakkies. Portia has seized the opportunities to gain valuable practical experience with vehicles. She looks forward to an exciting future as a qualified mechanic, working on a site and hopes to become a team leader.

# CASE STUDY

## ENTERPRISE DEVELOPMENT



**Pictured above** is Mike Sikhakhane, the Group HR Executive of Stefanutti Stocks (left) and Godfrey Pangeti, CEO of Sharpshell Engineering (right).

## Sharpshell — passionate about maximising opportunity

### ENTERPRISE OVERVIEW

Sharpshell Engineering is a majority black woman-owned and managed company, established in 2008 as a provider of industrial solutions. In 2012, the contractor expanded its capabilities to include engineering solutions, with a focus on maintenance engineering and shutdowns. It has a reputation as a shutdown specialist, with expert scaffolding and rope access teams contributing to fast turnaround times.

To provide dedicated, 24/7 support for its customers, the business has set up workshops close to key maintenance contracts. Sharpshell serves a broad client base including structural engineers, mining houses, petrochemical industries, architects, construction companies and power generation.

### OUR CONTRIBUTION

Sharpshell's participation in the Stefanutti Stocks ED programme will help the business grow capacity and become a fully compliant contractor. When economic conditions improve, this currently small business will be in a favourable position to unlock opportunities, with the capability to secure and service larger projects.

When the contractor joined the Stefanutti Stocks ED programme in 2019, four development areas were identified, with the aim of enhancing the ED partner's sustainability and growth. These included:

- Marketing and branding by way of a company profile and the development of a website;

- Assisting the business with its QSE B-BBEE certificate;
- A WSP and annual training compliance report; and
- Funding Sharpshell's attendance at the 2019 Smart Procurement Expo, which gave the business an opportunity to interact directly with buyers from a large corporate, which is a target customer for the contractor. In addition, Sharpshell made 13 promising leads during the expo.

In the previous year, the development areas included:

- Microsoft Excel training course;
- Candy Construction Software (CCS) licence and training;
- Psychometric assessments and job grading for the HR function; and
- Adobe software licence.

In the current year, areas for further development were identified, including emotional intelligence (EQ) training for top tier management and a Google Ads campaign. Other areas included safety training and contractual knowledge training.

### OUTCOMES

To survive the strain on cash flow due to the current economic environment, the company is looking to streamline its product and service offering. Crucial to survival as a business is ensuring a cultural fit with employees. To support their high performance business through improved employee accountability, Sharpshell identified psychometric testing as a development area.

With the tests complete, the company was able to pinpoint the strengths and areas of development of its employees, restructure the sales department and optimise key individuals who could help the business grow. This approach saw strong sales being achieved by the business during COVID-19, although Sharpshell experienced funding shortfalls on some projects.

EQ training was also identified as an area to help create a harmonious workplace within a very diverse organisation. The aim was to provide EQ training for workers who are competent but need development in understanding their teammates better. The results were positive and had a significant impact on the business.

Sharpshell's Google Ads/web optimisation campaign saw an uptick in brand recognition for the business, which has been receiving calls with some being converted into sales. The campaign has led to greater exposure for the business, particularly for its fire engineering and corrosion protection offerings.

Key aspects of the ED programme are mentorship, motivation, and access to the experience base within Stefanutti Stocks. Sharpshell is a small business with growth aspirations, and it benefits greatly from being exposed to big business and big project thinking.

Sharpshell derives significant value from its relationship with Stefanutti Stocks. The ED programme grants access to knowledge, training and opportunities that would normally be out of reach for a smaller enterprise.

# CASE STUDY

# ENTERPRISE DEVELOPMENT

## Pamco

### ENTERPRISE OVERVIEW

Gauteng-based contractor Pamco Waterproofing and Leaks (Pamco) is a 100% black-owned business that has operated in the construction sector since 2007. It is a Level 2 B-BBEE Contributor with a CIDB Grade 6 rating, which it achieved in 2021.

The business offering includes general construction, renovation, maintenance, and waterproofing contracts for social infrastructure projects in particular. Pamco executes work for construction companies, housing and property developers, the private residential sector, as well as educational institutions, municipalities, and provincial governments.

In 2010, Pamco completed a waterproofing contract at a Soweto-based student hostel for the University of Johannesburg, which was being constructed by Stefanutti Stocks. As a result of the contractor's excellent performance on this initial subcontracting project, it became a preferred supplier. This marked the beginning of a mentorship relationship with Stefanutti Stocks that culminated in Pamco's inclusion in the Stefanutti Stocks Enterprise Development (ED) Programme in 2015.

### OUR CONTRIBUTION

Every year for the past seven years, no less than four key development areas were targeted, with a focus on those that hinder the contractor from growing into a strong and sustainable enterprise. In addition to actioning ED areas, Pamco also participated in numerous commercial projects for Stefanutti Stocks, and was subcontracted for construction work on several SED initiatives for the group.

The initiatives included:

- A R500 000 Mandela Day project that focused on repairs and remedial work at 10 early childhood development centres in Tembisa;
- A R195 000 factory and showroom expansion project for another ED partner;
- The R18 600 tiling of a computer room at the Maserunyane Secondary School; and
- At Mokhine Secondary School, essential maintenance and repairs to the value of R208 500, and Pamco replaced a poorly installed and hazardous septic tank.

Since joining the ED programme in 2015, Pamco has focused on:

- Business skills development, marketing and branding, operational skills development such as tools and welding training courses;
- Microsoft Excel to support budget management, SAGE, guidance on the tendering process;
- Procurement skills transfer and negotiation for better pricing, mentorship on establishing strong HR policies such as employment contracts, labour law, timesheets and payslips; and
- Establishing administrative systems; and networking exposure.

For the current year, the development areas included:

- Implementing a SAGE accounting system through a consultant;
- Applying for, and award of, a higher Level 6 CIDB grading;
- Contractual knowledge training;
- Legal advice; and
- Assistance with the contractor's first QSE B-BBEE verification after their turnover exceeded the EME threshold.

### PLANT AND EQUIPMENT

Pamco was able to buy its first truck for the business after executing its first large contract for Stefanutti Stocks. Since then, the business has procured additional trucks and equipment, growing their fleet with equipment that was procured as part of the ED programme. This included the purchase of welding equipment and training for a R75 000 Hilti coring drill from Stefanutti Stocks in 2019. That year, Pamco also received re-usable site equipment to deliver its existing services and save on rental costs.

Pamco has also successfully applied for funding from the Tirisano Construction Fund, to buy construction plant and equipment. The funding was used to purchase two 10t tipper trucks, a 25t excavator, a TLB and a 4x4 bakkie, which would help to grow the business, and also support the work on general contracting and civils projects.

### ENTERPRISE GROWTH

Since joining the ED programme in 2015, the business has grown its turnover year-on-year. Pamco has also grown from operating out of the owner's garage to a company that has its own business premises in Soweto. The business grew further with the successful completion of a school refurbishment project that Pamco proposed to the Tirisano Construction Fund in 2018. The successful completion of this R7,2 million project included refurbishing, renovating, and revitalising the Maserunyane High School in Limpopo. We saw the contractor grow from a CIDB grade 1 to CIDB grade 6, enabling the business to grow and tender for larger government projects.

Pamco's business philosophy articulates why it is highly regarded by its client base, suppliers, and by its own staff:

- Always do things right the first time;
- Never solve a problem tomorrow if it can be solved today; and
- Be punctual and perfect in everything.

Pamco believes in doing a quality job, being reliable, and having systems that work. The business has grown from humble beginnings and looks forward to reaching even greater heights in the future.

# CASE STUDY

# ENTERPRISE DEVELOPMENT



## Wanotha Road Signs

### ENTERPRISE OVERVIEW

Wanotha Services (Pty) Ltd trading as Wanotha Road Signs is 100% black owned (90% black-women-owned) company and a B-BBEE Level 1 Contributor. The business was established in 2015, as part of a strategic sustainability initiative by parent company Mega Roads & Civils, to create vertically integrated businesses within the road and traffic signs sector.

This dynamic road infrastructure company works across Southern Africa and has a CIDB grading of 4 SK PE (road marking and signage). Their offering includes the design, manufacture, supply and installation of road and traffic signs and accessories. Its products and services meet Southern African Development Community (SADC) standards, South African Road Traffic Act requirements, as well as national, provincial, and municipal specifications.

### OUR CONTRIBUTION

Wanotha's parent company is Mega Roads & Civils, which is also a B-BBEE Level 1, 100% black owned, 90% black-women-owned, contracting company, and has been part of the Stefanutti Stocks ED programme since 2016.

Previously known as Megaphase, the business first participated in a Stefanutti Stocks contractor development programme with the purpose of transferring skills to emerging enterprises in existing or potentially synergistic relationships. In 2018, the contractor began focusing more on civil and construction work, rebranded to Mega Roads & Civils, and joined the Stefanutti Stocks ED programme.

Key development areas were targeted annually. Focus areas were:

- Strengthening and growing Mega Roads & Civils position amid rising competition in the road infrastructure sector;
- Assisting with systems, business policies and best practices; and
- Creating a professional image, in line with the company's ethos.

Areas actioned included:

- 2018: Marketing and branding, including the development of a company logo, slogan, stationery and a corporate identity manual, human resource mentorship, and the design of disciplinary policies and procedures booklets and posters.
- 2019: Employment contract mentorship and templates, construction health and safety skills training programme, and the development of an on-brand company website.
- 2020: Promotional gifts, mentorship focusing on the business venturing out of South Africa to secure more cross-border projects, pre-bid subcontractor agreement template, and assistance with a civils tender document requirements and qualifications.
- 2021: CCS licence, CCS training, SHE Representation training, first aid and firefighting training, and commercial and contractual knowledge training.

In 2020, Mega's founder approached Stefanutti Stocks, requesting that Wanotha Road Signs also be permitted to join the ED programme, in order to benefit from the group's initiatives and vast industry knowledge, that would not normally be accessible to a small, emerging contractor.

Wanotha officially joined the ED programme in 2021, and the following development areas were actioned:

- Printing of the company's profile;
- Developing a covering letter and presentation template;
- Developing and printing a comprehensive product catalogue;
- CCS licence;
- CCS training; and
- Commercial and contractual knowledge training.

The ED relationship between Stefanutti Stocks and both Wanotha and Mega Roads & Civils will continue in the year ahead, with the objective of further enhancing their position as a professional entity, across all South African provinces and possibly cross-border.

The true value of the group's contribution via the ED programme can be seen in the success of their ED partners and their subsidiaries. The programme helps emerging businesses grow into successful, profitable operations that use their own initiative to expand and capitalise on opportunities in their own right.

# CASE STUDIES

## SOCIO-ECONOMIC DEVELOPMENT

### Vision 4 Change assists the Dunoon community

#### INITIATIVE OVERVIEW

In the current financial year, Stefanutti Stocks supported the Vision 4 Change charity for a fifth year, increasing the total number of eye tests the group has funded to 5 455 and its total contribution to R880 000. Of those tested, a total of 242 of the learners were fitted with spectacles, significantly improving their ability to see, engage and participate in class.

Established in 2009, the charity liaises between the Department of Education, public schools which are often within remote or rural communities and corporate sponsors. The financial assistance provided by sponsors help to address the massive challenge that weak eyesight poses to public school education in South Africa. Stefanutti Stocks focuses on helping underprivileged schools from communities around its projects.

Year	Province	Number of eye tests conducted	Number of learners requiring prescription glasses	Total contribution
2017	Mpumalanga	1 055	15	130 000
2018	Mpumalanga and Gauteng	1 549	62	262 000
2019	North West	1 025	76	148 000
2020	Mpumalanga	327	16	99 500
2022	Western Cape	1 499	73	240 000
<b>Total</b>		<b>5 455</b>	<b>242</b>	<b>879 500</b>

In the current year, Sophakama Primary School in Dunoon, Western Cape was selected as the beneficiary.

The principal ensured that consent forms for the eye tests were signed by learners’ parents, guardians or caregivers. A registered optometrist conducted the tests from 18 to 22 October 2021, with the visually impaired learners receiving further testing. 73 learners were fitted with prescription glasses on 8 November 2021. Stefanutti Stocks provided additional funds to replace any spectacles that might break before the next planned visit.

#### FEEDBACK

Vision 4 Change reported a successful project and the positive impact made on the school. The initiative benefited the learners, while enabling the educators to teach more effectively. There were no challenges during the project and COVID-19 protocols were observed. The Dunoon community forum members were invited to participate in the handover of the spectacles.

Stefanutti Stocks hopes to continue its relationship with Vision 4 Change, while forging closer ties with the communities around its operations.

### Continued support for Mokhine Secondary School

In the current financial year, Stefanutti Stocks provided further funding for an urgent infrastructure upgrade at Mokhine Secondary School, which is remotely located in rural Limpopo. The school has previously been a beneficiary, with the group providing financial assistance for infrastructure upgrades, crucial maintenance and purchasing essential school furniture.

When Stefanutti Stocks went for a follow-up visit in early 2021, the school’s dire sanitary situation was identified as an area requiring urgent attention. In a bid to ensure that the school would serve as a functioning, sanitary and safe facility for approximately 500 learners, Stefanutti Stocks pledged to continue its support by way of a new investment.

In the prior year, the group’s contribution of R190 000 was used to address the school’s most urgent requirements at the time. In addition to the purchase of desks, tables, furniture and a laptop for the principal, a maintenance project was funded by the group and undertaken by its ED partner, Pamco Waterproofing and Leaks. The work was delayed by the national COVID-19 lockdown but resumed once the construction industry was allowed to operate. The maintenance project focused on the renovation of recently completed classroom buildings, including painting and fixing floors, tiles, lights, addressing poor electrical installations, replacing broken doors as well as other remedial work around the school. The school’s small toilet block was identified as a potential SED initiative for the following year.

During a visit to the site earlier this year, it was found that a new toilet block had been poorly constructed. The facilities were not in a usable condition, as the septic tanks were too small for the required capacity, and the piping had been incorrectly installed.

To rectify the situation and provide a usable solution, Stefanutti Stocks committed R93 000 to install a working septic tank system. The group awarded the contract to its ED partner Pamco, and their scope of work covered the following:

- The removal of two 500ℓ capacity septic tanks, that did not conform to the capacity requirements for the toilet block, and were also incorrectly connected;
- The installation of two 2 500ℓ capacity septic tanks and supporting soak-away. This included excavations, rock fill to the soak-away, and supply and installation of the septic tanks associated plumbing; and
- The construction of the parapet walls around the septic tanks to protect the installation and ensure the safety of the learners and teachers at the school.

With further work being required at the school, Stefanutti Stocks plans to continue partnering with Pamco by providing support to the school to help it become a functional environment that is conducive to learning.

## UNDERSTANDING THE NEXT GENERATION

	Category	Details of project	Location	Progressive spend (R)	Communities with limited access to services
 <p><b>MASERUNYANE HIGH SCHOOL</b></p>	Education	Various improvement and compliance focused projects including the provision of two laptops installed with office 365, installation of safety and toilet signage, and donation of bookshelves for a library.	Mapela, Limpopo	46 000	Yes
	<b>Impact</b>	Provides teachers and learners at Maserunyane High School in the Mapela community access to relevant technologies positively impacting their development in line with urban schoolgoers.	<b>Summary</b>	Optimise opportunities for students that positively impact their learning experience and environment to improve pass rates and integrate dignity into the schooling environment.	<b>Investment or services type</b>

	Category	Details of project	Location	Progressive spend (R)	Communities with limited access to services
 <p><b>VISION 4 CHANGE — SOPHAKAMA PRIMARY SCHOOL</b></p>	Health and Education	Eye testing and glasses for Primary school. Funding for screening and testing of 1 499 learners and providing spectacles to 73 who required them.	Dunoon, Western Cape	240 000	No
	<b>Impact</b>	Enables the learners who attend Sophakama Primary School, who would otherwise not have access to visual health care support, the opportunity to receive prescription spectacles thereby positively impacting their ability to participate in classroom activities equal to their non-visually impaired peers.	<b>Summary</b>	Optimise opportunities for students that positively impact their learning experience and environment to improve pass rates and integrate dignity into the schooling environment.	<b>Investment or services type</b>

	Category	Details of project	Location	Progressive spend (R)	Communities with limited access to services
 <p><b>SIYAZAKHA EDUCARE &amp; AFTERCARE</b></p>	Education	Refurbishment and renovation to existing crèche facilities, as well as the provision of a new perimeter fence, entrance gate and concrete walkway.	Dunoon, Western Cape	420 000	No
	<b>Impact</b>	Affords children in the local Dunoon community the opportunity to attend daycare and aftercare in a safe and hygienic environment. This positively impacts their formative developmental years' experience in otherwise challenging circumstances.	<b>Summary</b>	Aid in providing a safer environment for children in foundation phase learning years.	<b>Investment or services type</b>

	Category	Details of project	Location	Progressive spend (R)	Communities with limited access to services
 	Health and Education	Provision and correct installation of two 2 500ℓ capacity septic tanks.	Sekhukhune Burgersfort, Limpopo	94 000	Yes
	<b>Impact</b>	Through the correct installation of two large septic tanks, school-going learners and teachers at Mokhine Secondary School in Sekhukhune, have access to functional ablution and sanitary facilities, positively impacting their health and schooling environment experience.	<b>Summary</b>	Optimise opportunities for students that positively impact their learning experience and environment to improve pass rates and integrate dignity into the schooling environment.	<b>Investment or services type</b>

	Category	Details of project	Location	Progressive spend (R)	Communities with limited access to services
 	Health	Sponsorship for 12 healthcare practitioners to attend a 7-day Introduction to Palliative care course.	Benoni, Gauteng	48 000	No
	<b>Impact</b>	Positively impact the healthcare worker's suitability and experience to provide palliative care, as well as provide additional support to the affected families' loved ones they care for.	<b>Summary</b>	Sponsorship for healthcare workers to further course qualifications.	<b>Investment or services type</b>

	Category	Details of project	Location	Progressive spend (R)	Communities with limited access to services
 	Sporting Development Programmes	Sponsorship of cricket kits.	Tygerberg, Western Cape	25 000	No
	<b>Impact</b>	Affording underprivileged young scholars the opportunity to represent the Western Cape U/15 cricket side at the National School Summer Games.	<b>Summary</b>	Support sporting and cultural initiatives as part of holistic youth development programmes.	<b>Investment or services type</b>

**R873 000**  
TOTAL SPEND

**R140 000**  
SPEND ON COMMUNITIES WITH LIMITED ACCESS TO SERVICES

# FLAWLESS EXECUTION

## ZERO HARM — HEALTH AND SAFETY

### Introduction

The safety and good health of employees is a cornerstone of Stefanutti Stocks's core values. As the COVID-19 pandemic continued to be the group's primary health focus, the application of "Excellence in Execution" on all its projects, with Safety at the nucleus, was not diminished. Stefanutti Stocks is progressive in its safety culture, continually striving to exceed legal compliance as a minimum. COVID-19 procedures are strictly upheld, complying with all regulations and taking into consideration the relaxation thereof. Based on the standing National Disaster Act, reduction in Lockdown Alert Levels and the continuation of COVID-19 pandemic, management decided that the existing company COVID-19 protocols and standards would remain in place. This proved to be successful in the prevention of COVID-19 in the workplace, and safeguarding employees.

The realisation of the group's health and safety objectives for the year, as well as the reduction of incidents and accidents, is discussed further below.

### Current key focus areas

Key focus areas for the year were as follows:

- Driving a pre-emptive, risk conscious workforce within the company's existing health and safety culture;
- COVID-19 at the workplace;
- Legal compliance;
- Eliminating recurring incidents through effective and proactive incident management; and
- Elevating standards to surpass conformance requirements, and maintain ISO 45001:2018 certification.

### Management approach

The objectives and targets for 2022 are centred around maintaining COVID-19 prevention practices, and the mitigation of minor and major incidents on the group's projects. Employee health and safety remains a top priority. Headed by the CEO, a task team was established to lead the group's COVID-19 response, and this remains in place.

To avoid incidents, the occupational health and safety drive is proactively led by management teams. Another key drive is to analyse the statistics monthly at all levels of the business. Trends observed are then addressed accordingly and endorsed by management.

### Performance

The group has maintained ISO 45001:2018 certification with an accredited international service provider. This certification includes 14 disciplines that are now under one certification and operating consistently at elevated occupational health and safety standards.

Stefanutti Stocks developed a tracking tool for all COVID-19 cases to determine if the infections and recovery rates are increasing or decreasing. The tool also tracks the fatality rate. The statistics observed from monitoring COVID-19 cases were then used to make critical decisions to safeguard employees.

The tracking tool is on the group's S@S platform and was further developed to implement a COVID-19 vaccination tracking system. This enables the company to draw data regarding vaccinated and unvaccinated employee figures across various regions. COVID-19 vaccine awareness campaigns were developed by distributing the government's published vaccination campaigns.

Zero fatalities occurred in the year under review (2021: 1).

Compared to the previous year, the group's lagging indicators have improved. This is due to good occupational health and safety management at operational level.

Some of the key lagging indicators, which are used to track the current health and safety performance and measure against benchmarks, include but are not limited to:

- Fatality rolling 12-month totals and frequency rate (FFR) benchmark: 0,00 Actual: 0,00
- Lost-time injury 12-month totals and frequency rate (LTIFR) benchmark: 0,10 Actual: 0,03
- Recordable case 12-month totals and frequency rate (RCR) benchmark: 0,30 Actual: 0,28

Management remains committed to improving on the number of LEs performed, resulting in a seamless communication flow between labour and top management. The commitment to safety was also evident in the VFL and Site Safety Observations (SSO) statistics which enhanced the effectiveness of preventative and corrective measures that have been implemented.

## NUMBER OF INCIDENTS PER SEVERITY

	2022	2021	2020
Fatality	—	1	1
Lost-time injury	2	2	2
Restricted work cases	7	3	4
Medical treatment cases	16	19	27
First aid cases	43	59	61
<b>Total incidents</b>	<b>68</b>	<b>84</b>	<b>95</b>

## TOTAL SUPERVISED MAN-HOURS — 12-MONTH ROLLING (MHW)

	2022	2021	2020
Hours include contractor services without mandatory agreements (OHS Act 37.2)	<b>13 013 276</b>	14 576 675	22 746 150

Supervised man-hours are based on the number of sites, size of sites, number of employees and employee turnover. The decrease in hours related to the decline in sites and employees.

## FREQUENCY RATES

	2022	2021	2020
Fatality frequency rate	—	0,01	0,01
Lost-time injury frequency rate	<b>0,03</b>	0,03	0,02
Recordable case rate	<b>0,28</b>	0,35	0,29

## PROACTIVE INCIDENT MANAGEMENT

After analysing all incidents reported for the reporting period the following top five trends could be identified:

Per hazard	Per injury agent
Biological agent	Struck by — falling/flying/swinging object
Moving vehicles	Fall/trip/slip at same level
Daily safety instructions not comprehensively completed	Manual handling/manual labour
Public areas	Step onto/from/over
Manual handling as well as excavations/earthworks	Struck by hand tools

## GROUP HEALTH PERFORMANCE

	2022	2021	2020
Total entry medicals	<b>454</b>	487	1 874
Annual surveillance	<b>2 172</b>	1 192	2 008
Noise-induced hearing loss (NIHL) identified	<b>157</b>	48	74
Tuberculosis questionnaires completed	<b>1 359</b> <b>nil referred</b>	1 592 nil referred	3 681 of which 1 was referred
Obese	<b>36%</b>	26%	21%
Smokers	<b>232</b>	424	1 180
Multi-drug testing conducted (excludes employees tested by client)	<b>1 109</b>	1 287	3 179

## HEALTH AND SAFETY ACHIEVEMENTS

Milestones

Region/discipline	Milestone	
<b>Inland Region</b>	Building Gauteng	3 475 603 LTI-free hours
	Civils Gauteng	8 511 992 LTI-free hours
	Geotechnical	4 years LTI-free
	Mining Services	6 546 816 LTI-free hours
	Roads, Earthworks & Pipelines	10 573 685 LTI-free hours
<b>Coastal Region</b>	Building and Civils	7 642 631 LTI-free hours
<b>Western Cape Region</b>	Building Western Cape	5 598 668 LTI-free hours
<b>Africa Region</b>	Botswana	4 093 187 LTI-free hours
	Eswatini	12 817 378 LTI-free hours
	Mozambique	1 578 996 LTI-free hours
	Zambia	5 631 415 LTI-free hours

### Continuous monitoring and identification of trends

The organisation performs audits by means of an audit tool on S@S. Site observations, near hits and VFL are conducted on projects and captured on S@S. The platform then assists with trend analysis which is discussed at management meetings.

The company continues to monitor employee wellness and draw trends to assist employees with improving their overall health.

### Future key focus areas

The group's health and safety key future focus areas are as follows:

- Fostering a health and safety culture that exceeds best practice;
- Continuation of COVID-19 prevention practices at the workplace;
- Legal compliance;
- Effective and proactive incident mitigation; and
- ISO 45001:2018 maintaining certification.

## ZERO HARM — ENVIRONMENTAL

### Introduction

The industry in which the group operates is dependent on natural resources and environmental degradation is inevitable. With this in mind, the group takes all possible measures to comply with environmental impact assessments which are conducted in advance by its clients.

The six key areas that are most significant to operations are continually monitored by the group. These are carbon emissions, energy, materials, waste, water, and credible information. These key areas inform the group's approach to environmental risk and guide the implementation of preventive measures and established programmes.

### Current key focus areas

For the year under review, the key focus areas were as follows:

- **Legal compliance** — the group manages and continues to conduct legal compliance audits using an external service provider's platform.
- **Increased environmental awareness** — formal training, internal training and awareness campaigns targeting identification and reporting of incidents, international and national events, preservation initiatives and trends.
- **ISO 14001 certification** — Stefanutti Stocks maintained its group certification for ISO 14001:2015 management system with a successful surveillance audit in 2021.
- **Sustainability reporting** — Consistent monitoring of data throughout the year.

### Management approach

The group established an environmental forum to identify objectives and drive good environmental practices. To ensure that responsibility remains a top priority, the forum includes members of the Executive Committee (EXCO).

One of the key aspects that EXCO tasked the forum with is ensuring compliance with relevant environmental legislation.

The group's approach to environmental protection is a system-based methodology, underpinned by clear priorities, plans and activities that are designed to mitigate the impact of operations on the physical environment. Stefanutti Stocks continuously strives to minimise its environmental footprint by:

- quantifying environmental impacts through the collection and analysis of reliable environmental data;
- applying life cycle thinking to each stage and process of construction;
- considering the use of materials, products and methodologies that enhance sustainability, whenever practicable;
- adhering to legal statutes, client environmental specifications and an ISO 14001 certified EMS;
- identifying ways to limit the negative impact of operations on natural resources, biodiversity and communities;
- training employees on principles of sustainability and environmental stewardship; and
- participating in forums that promote and advocate for a greener construction industry, such as the Green Building Council South Africa (GBCSA).

### Performance

#### Environmental management systems (EMS)

The group has ISO 14001:2015 certification with an accredited international service provider. Through this certification, 14 of the group's operating disciplines are included within one certification, with the assurance of invariable environmental standards across these disciplines.

#### Physical environment

The environmental impact of the business on fresh water resources continued to be mitigated in the year under review. This was achieved through water saving awareness campaigns, the construction of more effective wash bays, frequent use of recycled water through water recycling plants and by deliberately reusing good quality water, rather than fresh water.

#### Climate change

A digital portal was established by the department of environmental, forestries and fisheries to register organisations that generate greenhouse gases. This is part of the effort to establish which organisations comply with the greenhouse gas threshold which will determine the impact on carbon tax compliance.

The group has consulted with two environmental specialists to better understand how new carbon tax regulations affect the organisation. The group has registered as a user on the portal.

## Data collection

Data collection remains a key pillar for maintaining compliance with environmental management. Access to reliable environmental data provides management with clarity for improved decision making. Having restructured the business with consequent loss of key employees, the focus is to continue recording credible data through designated environmental representatives on each project.

## Environmental awareness

The group is currently re-commissioning the internal environmental e-learning programme that is specifically designed for site managers and supervisors.

“Green-Wednesday” awareness campaigns have added great value to environmental preservation as providing valuable assistance to project staff. A green culture is instilled through these campaigns, enabling employees to implement modest preservation initiatives at home. These campaigns will continue for the foreseeable future.

## ENVIRONMENTAL COSTS

Identify waste disposal, emissions treatment, and remediation costs based on expenditures which include, as a minimum:	2022 Expenditure R	2021 Expenditure R	Explanation
Treatment and disposal of waste	5 586 798	1 314 216	General, construction and hazardous waste disposal, portable toilet servicing through accredited service provider
External certification of management systems	51 775	158 325	ISO 14001 Certification fees
Other environmental management costs	101 250	265 776	Membership fees
<b>Total</b>	<b>5 739 823</b>	<b>1 738 317</b>	

## BIODIVERSITY MANAGEMENT — RED LIST SPECIES IDENTIFIED



Project name	Town	Region	Red list species
Zandvliet Wastewater treatment works	Khayelitsha	Western Cape	Moraea (various bulbs); Zantedeschia aethiopica; Roepera flexuosa

## BIODIVERSITY MANAGEMENT — AREAS IDENTIFIED

Project name	Owned, leased, managed, or adjacent to	Region	Position in relation to the protected area	Type of operation	Size of operation site in km <sup>2</sup>
Zandvliet Waste Water Treatment Works	Leased	Western Cape	In the area	Production	1,56
Newlands Cricket Ground	Managed	Western Cape	Adjacent to	Production	0,50
Whistling Thorns 1 & 2	Managed	Inland	Adjacent to	Production	0,50
Salta Estate Development	Leased	Coastal	Containing	Production	2,00

## CARBON EMISSIONS

	FY2022 (tCO <sub>2</sub> e)	FY2021 (tCO <sub>2</sub> e)	FY2020 (tCO <sub>2</sub> e)	Emission factors
<b>Scope 1</b>	<b>50 171</b>	44 211	115 543	Diesel — 2,67kg CO <sub>2</sub> e Petrol — 2,30kg CO <sub>2</sub> e Oil — 2,97kg CO <sub>2</sub> e LPG — 2 715,83kg CO <sub>2</sub> e
<b>Scope 2</b>	<b>12 762</b>	1 959	3 551	1,027 tonne CO <sub>2</sub> e per mWh
<b>Gross</b>	<b>62 933</b>	46 170	119 094	

**WATER**

Region	Municipal (kℓ)	Ground (kℓ)	Surface (kℓ)	Recycled (kℓ)
Inland	<b>25 239</b>	<b>13 471</b>	<b>16 336</b>	<b>100 663</b>
Coastal	<b>9 825</b>	—	<b>3 075</b>	—
Western Cape	<b>1 780</b>	<b>94</b>	—	—
Mechanical Electrical Piping	<b>28 213</b>	—	—	—
Africa	<b>25 831</b>	<b>10 635</b>	<b>58 452</b>	<b>32</b>
<b>Total</b>	<b>90 888</b>	<b>24 200</b>	<b>77 863</b>	<b>100 695</b>

*kℓ — kilolitre*

**WATER SOURCES SIGNIFICANTLY AFFECTED BY WITHDRAWAL OF WATER**

Project name	Town	Province
Barberton Mines — Harper Reclamation	Barberton	Mpumalanga
South 32 DMO Farm	Kriel	Mpumalanga
Van Dyk's Drift	Witbank	Mpumalanga
Vlaktefontein Waste Treatment and Disposal Facility	Ogies	Mpumalanga
Zuikerbosch Sedimentation	Vereeniging	Gauteng

**ELECTRICITY**

Region	Electricity (kWh)
	<b>2022</b>
Inland	<b>527 240</b>
Coastal	<b>569 971</b>
Western Cape	<b>126 628</b>
Mechanical Electrical Piping	<b>590 586</b>
Africa	<b>704 673</b>
<b>Total</b>	<b>2 519 098</b>

*kWh — kilowatt hour*

## ENERGY

Region	Electricity (GJ)	Diesel (GJ)	Petrol (GJ)	Oil (GJ)	LPG (GJ)
Inland	37 898	250 094	899	1 826	3
Coastal	3 951	9 741	543	119	119
Western Cape	456	3 177	30	—	3
Mechanical Electrical Piping	2 126	6 027	662	—	2
Africa	2 537	102 893	1 297	550	185
<b>Total</b>	<b>46 968</b>	<b>371 932</b>	<b>3 431</b>	<b>2 495</b>	<b>312</b>

GJ — Gigajoules

## WASTE

Region	Waste type	
	Hazardous (tonnes)	General (tonnes)
	<b>2022</b>	<b>2022</b>
Inland	1 808	2 099
Coastal	2 020	33 910
Western Cape	167	6 187
Mechanical Electrical Piping	6 833	817
Africa	2 165	258 213
<b>Total</b>	<b>12 993</b>	<b>301 226</b>

### Carbon footprint

Stefanutti Stocks is required to report in terms of Scope 1 and Scope 2 emissions only. The group uses the emissions factors of the Department for Environment, Food and Rural Affairs (DEFRA 2016) of the United Kingdom to calculate its carbon emissions, while purchased electricity emissions factors used for calculations are from Eskom. These emission factors are amended on an annual basis.

### Carbon emissions

Carbon emissions are dependent on the utilisation of plant items on a contract.

### Water

The total water used by the group was 192 951kℓ, which is calculated as total water used excluding recycled water. The water intensity for the group's total operations is (total water used/ supervised man-hours): 192 951/13 013 276 = 0,015kℓ/MHW.

Water is a scarce natural resource in South Africa. Stefanutti Stocks therefore focuses on decreasing water use across all sites and has managed to effectively engage in responsible water use and to significantly reduce overall water use from 333 275kℓ in the previous year to 192 951kℓ.

This has been achieved through water saving awareness campaigns and initiatives, the construction of more effective wash bays, frequent use of recycled water through water recycling plants and by deliberately reusing good quality water, rather than fresh water

In South Africa, water scarcity remains a major impact of global warming and climate change. With increasingly unpredictable rainfall patterns, the group's operations are encouraged to preserve and recycle water resources.

### Electricity

Scope 2 refers to the total electricity purchased from the grid supply. Coal-fired generated electricity is considered an expensive form of electricity generation and represents the bulk of electricity available in South Africa.

The group's electricity intensity equals the total electricity used in mWh divided by the total man-hours worked (MHW): 2 519/13 013 217 = 0,00019 mWh per MHW.

### Energy

Energy intensity equals the total energy consumed in GJ divided by the total man-hours worked: 425 138/13 013 276 = 0,033 GJ/ MHW.

## Waste

The group's two main streams of waste generated by its operations are hazardous and general waste. Hazardous waste is classified in terms of legislation and is properly disposed of by the group at licensed facilities. General waste is separated at the source and is either recycled, reused or sent to landfill, as and when appropriate.

Hazardous waste is broken down further into liquid (hydrocarbon and sewage) and solid (contaminated soil) forms of hazardous waste. For the year under review, hazardous waste per man-hour worked is 12 993/13 013 276 = 0,00099 tonnes/MHW.

General waste is broken down into domestic and construction waste. The group continuously recycles the following waste streams:

- Paper
- Plastic
- Wood
- Oil
- Metal
- Construction rubble (where possible and permitted)
- Printer cartridges
- Electronic waste

## Future key focus areas

The group's environmental key focus areas are as follows:

- Legal compliance
- Carbon tax compliance
- ISO 14001:2015 maintenance and surveillance audit
- Enhancing a green culture on all projects
- Augmented methods of monitoring

## PROPER PLANNING PREVENTS POOR PERFORMANCE — QUALITY MANAGEMENT

### Current key focus areas

For the year under review the key focus areas are as follows:

- **Standardise the management systems** — The management system was standardised sufficiently to undergo the certification process. Further improvements are required for the following year.
- **Trend analysis of:**
  - **Customer satisfaction surveys**  
The surveys are used by all disciplines and are tracked monthly to analyse trends.
  - **Non-conformances**  
Non-conformance trends are tracked monthly.
  - **Daily diary**  
A daily diary sub module has been developed for projects. It is widely used, and the usage is tracked monthly.
- **ISO 9001:2015 certification**  
Certification was achieved.

## Performance

An electronic daily diary was developed as part of modernising the business, to simplify and standardise the way in which daily diaries are filled and kept. This exercise will also ensure that the group becomes environmentally friendly.

Management systems and their certification have been identified as business imperatives, which have a financial implication for the group. Therefore, EXCO tasked the quality forum to investigate reducing the cost of running and certifying a management system. To this end, the quality forum has managed to certify all 14 operating disciplines under one certificate and subsequently identified cost savings during the exercise.

## Management approach

The Quality Forum's philosophy of planning and quantifying risks associated with operations is embedded in the Excellence in Execution mission statement and are the key pillars of the ISO 9001:2015 standard. As an ISO certified company, Stefanutti Stocks subscribes to these aspects and will strive to achieve them throughout the group's operations.

## Future key focus areas

The Quality Forum will continue to focus on the following key aspects:

- Improve standardisation
- S@S sub modules:
  - Full utilisation
  - Non-conformances
- Record management
- ISO 9001:2015 first surveillance audit

## RELATIONSHIPS WITH CONSTRUCTION PARTNERS AND SUPPLY CHAIN

### Introduction

The group has a policy covering the general terms and conditions for procurement. In addition to implementing a Vendor Management System (VMS), the Vendor Management Forum and Vendor days.

These initiatives are part of the group's focus on professionalising its supply chain relationships, as well as the procurement strategy, which guides how Stefanutti Stocks engages with vendors at every step of the process. The annual vendor day activities were suspended due to the restrictions of the COVID-19 pandemic.

It is crucial to identify business goals that require vendor management before the vendor management process starts. This helps to understand the requirements of every region and prevents duplication of efforts and wasting resources when selecting and contracting with vendors. In addition, it also assists with the stage of measuring and evaluating vendor performance as these goals establish appropriate metrics.

## Vendor management system (VMS)

The development of the VMS has been a significant achievement and facilitates the dissemination of vendor information throughout the group. The VMS centralises all vendor-related information in one system, enabling employees to source information they require, and simplifies the reporting process.

To enable better resource allocation and improved efficiency, having a centralised data storage solution for managing vendor data is important for the group.

The group's reporting functionality allows monthly monitoring and management of the group's B-BBEE expenditure which supports both projects and the business. Integration with the group's accounting software, Buildsmart, provides better access to business intelligence.

## Vendor Management Forum

The buyer's forum was being reinstated as the Vendor Management Forum due to the group restructure and conglomeration of various departments. The purpose of the forum is largely in line with the previous forum's drive to implement and maintain appropriate vendor management throughout the regional operations, to benefit from a larger selection of vendors, for better options and ultimately improved costs. In this way, the group has an integrated view of the performance of all its vendors and measurement with organisational standards and criteria.

The purpose of the forum is as follows:

- Improved co-operation and alignment between disciplines and regional operations in buying;
- Enhancing co-operation and sharing of knowledge;
- Improving spend regarding B-BBEE targets;
- Continuing to develop the VMS;
- Considering annual preferred tenders for the company using the combined group buying power for negotiations;
- Improving networking and communication within the regional buying teams; and
- Promoting constructive relationship development with vendors.

Moving to a centralised group VMS has eased the following procurement challenges:

- Multiple contracts with the same vendor
- Disparate transactions with multiple vendors

## Management approach

Cost has been a main deciding factor when choosing vendors, but Stefanutti Stocks is increasingly looking at other criteria to determine which vendors can best serve the group's requirements, as the lowest cost does not guarantee the greatest value. Other criteria need to be considered to select vendors such as: financial stability, previous experience, B-BBEE status, health and safety record, on-time delivery, quality procedures followed by the vendor, economies of scale and their legal/regulatory records. Considering all these criteria help to form a holistic assessment of the group's vendors.

## Continued future key focus areas

The following focus areas are continuously monitored, reviewed and maintained for effective operations:

- Completing the development of the updated and categorised database of all relevant vendors and vendor-related information.
- Streamlining information — vendor information is stored in a single location and provides insights into the current stage of vendors, for example, active vendors and vendors that require renewals.
- Key Performance Indicators (KPIs) put in place to measure the various facets of vendor performance, to assess if the vendor management process is effective and to measure whether vendors are delivering to the group's expectations and business goals. Some of these KPIs would include factors such as:
  - Relationship management — measured by the vendor's commitment
  - Cost management — measured by pricing and discounts
  - Quality management — measured by conformance to requirements
  - Delivery — measured by timeous delivery
  - Customer satisfaction levels

# CASE STUDY ENVIRONMENTAL

## Bank of Botswana Redevelopment Project

### **GREEN BUILDING INSIDER-SAFE ECO-FRIENDLY ENVIRONMENT**

The Bank of Botswana embarked on a project to refurbish and extend its existing premises in Gaborone. Awarded to Stefanutti Stocks in April 2019, the contract comprised construction works, which included the demolition of buildings that were below par from an environmental perspective, the provision of additional office floorplates, the expansion of office facilities, and all off-site storage yards and waste handling areas, including topsoil storage and waste yards.

In essence, the aim of the project was to rebuild existing buildings with state-of-the-art interiors and conference facilities. The project is one of the first ever 6-star rating developments in Gaborone and makes a notable contribution to reducing the country's environmental footprint. Since the contract's inception, Stefanutti Stocks has achieved the majority of the environmental protection and awareness requirements.

As the principal contractor, the Stefanutti Stocks/Bank of Botswana team were trained and accredited as Green Star SA accredited professionals, which empowered both the project and the team. Team members gained specialised green building competencies, which gave them a thorough understanding of green building techniques, plus key decision-making skills regarding the best methods for achieving the client's objectives.

The GBCSA has developed special tools that set the standards and benchmarks for environmentally friendly or "green" buildings. These are used to measure the "greenness" of individual buildings, against a prescribed set of criteria and requirements. To meet with "as built" Green Star compliance, the project team had to achieve compliance with a number of key items to ensure sufficient points were awarded to the client, according to the green building rating system.

### **REDUCE, REUSE AND RECYCLE**

Since 2019, the Bank of Botswana project has proudly reused materials from the construction waste generated, far exceeding the target that was set by 70%. To enhance its waste disposal, the group has partnered with key stakeholders such as Gaborone City Council and the Department of Waste Management. All of construction waste and rubble generated is diverted from landfill, for optimal use in backfilling purposes in the surrounding area.

Rubble and construction waste is reused when it is placed in the borrow-pit land allocated by the City Council. The land will be repurposed once it has been backfilled with the construction rubble, which is approved via a permit.

With Botswana currently facing challenges with water supply, the client authorised the use of the existing borehole during construction. Water use is carefully managed in all aspects of construction, with stringent water saving measures in place to reduce wastage. From the beginning of the project, the installation of water meters was prioritised to record daily,

weekly and monthly use to assist with monitoring, measuring and reporting. A distinction is made between water used for construction and potable water meant for human consumption. Employees are encouraged to report leakages to the appointed environmental officer and are motivated to do so promptly by a merit system that is in place.

Ongoing environmental awareness campaigns for the project are carefully considered, designed and implemented in terms of on- and off-site water saving initiatives. To provide training and an awareness platform, daily water use toolbox talks educate employees and encourage the practice of environmental preservation at home.

The Green Wednesday initiative offers weekly toolbox talks, which focus employees' attention on environmental matters on site. By keeping the topic of environmental protection top of mind, compliance is achieved.

To ensure that Stefanutti Stocks and the project are disposing of waste responsibly, all unused material is redirected to registered recycle centres in Gaborone. This reduces waste-to-landfill, and all manifests and records are securely stored.

Awareness campaigns are in place to promote energy saving practices, highlighting the importance of switching off lights, appliances and power tools after use. In addition, the efficient use of power tools is carefully monitored and on-site power consumption is recorded daily as standard practice. The project's store personnel are trained to report all faults and ensure that equipment is serviced monthly.

The group is gratified that the measures taken by the project are succeeding in reducing emissions, as evidenced by the client's green building status and their contributions toward environmental preservation.



# CLIENT RELATIONS

## OVERVIEW

Building solid relationships with clients is critical to business excellence. The unprecedented COVID-19 pandemic has highlighted the value of maintaining effective communication with clients.

## CLIENT MANAGEMENT

The group's approach to client management is to understand client requirements at tender stage and then cater to those requirements. Next, on commencement of a project, the tender and contract document must be compared to ensure they align with client requirements.

In the final stage, the project is managed through contractual meetings, customer satisfaction surveys and regular ad-hoc visits to establish and maintain relations on a high level. This process is similarly managed for subcontractors as clients.

## COMMUNICATION WITH CLIENTS

The company maintains communication with its clients by way of contractual meetings and customer satisfaction surveys.

The EXCO has confirmed that these methods of communication deliver positive results, also highlighting the need to address all concerns raised in communications with clients.

## CUSTOMER SATISFACTION SURVEY

Customer Satisfaction Surveys (CSS) remain the formal manner of monitoring the levels of client satisfaction with the group's contributions within projects. The aspects monitored are:

- Time;
- Cost;
- Quality;
- SHE;
- General; and
- Culture.

With 1 translating as poor and 5 as excellent, the benchmark for the year remained "4" or 80% for the surveys captured.

## TREND ANALYSIS

Analysis of the trends are monitored monthly at discipline, regional and group levels. In each of these levels, different interventions might be instituted depending on the best intervention required.

Analysis shows that all sectors have scored above the threshold minimum of "4" or 80%. Senior management have placed a focus on the lowest scoring sector which is cost.

Depicted in the graph below is an example of the Stefanutti Stocks Group Customer Satisfaction Survey Trend Analysis Report, as generated on the group's internal S@S Module.

## CONCLUSION

The engagement process with clients is an important part of understanding any issues and implementing improvement measures to further improve relations. This is demonstrated by the group's good record of obtaining repeat work from clients.

### CUSTOMER SATISFACTION SURVEY TREND ANALYSIS REPORT (AVERAGE PER SECTION)

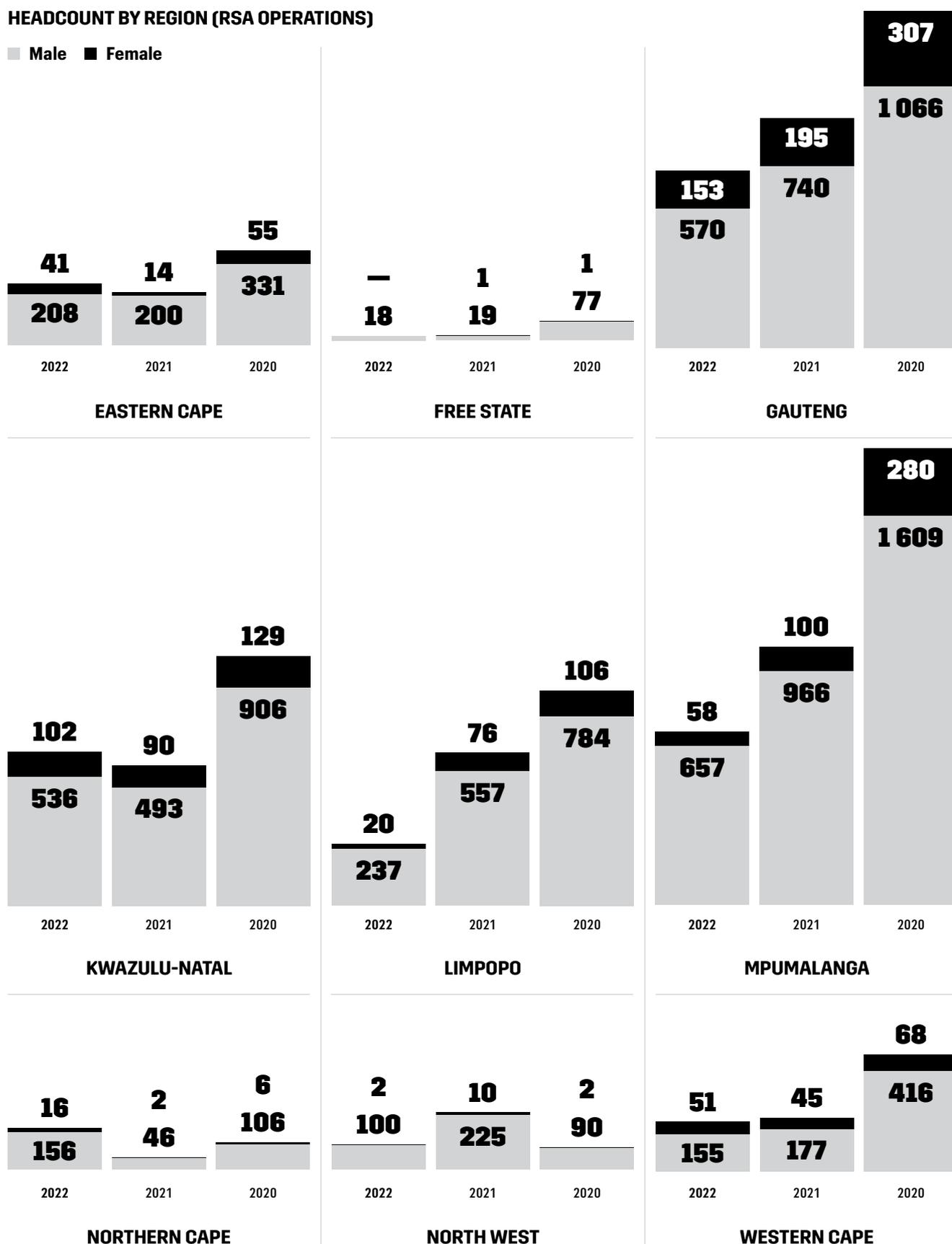
(Based on 116 surveys conducted)



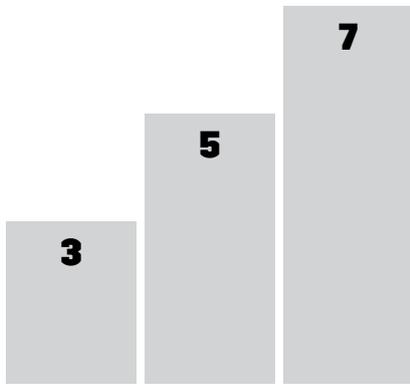
# ADDITIONAL INFORMATION

## HEADCOUNT BY REGION (RSA OPERATIONS)

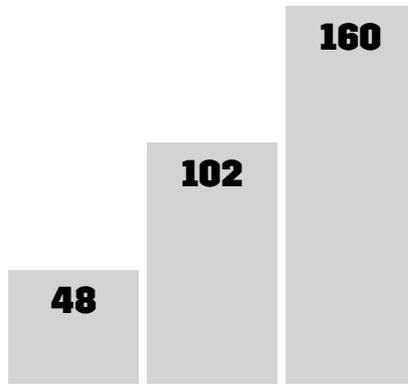
■ Male ■ Female



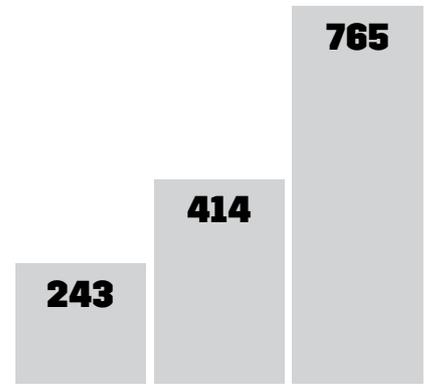
**HEADCOUNT BY AGE GROUP (RSA OPERATIONS) – PERMANENT EMPLOYEES**



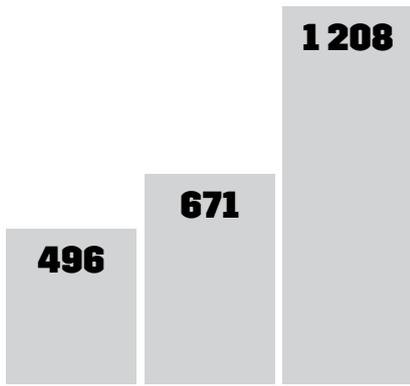
**18 – 19 YEARS**



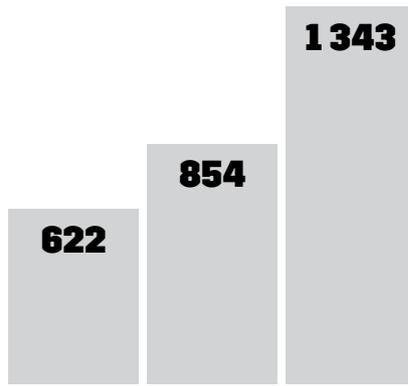
**20 – 24 YEARS**



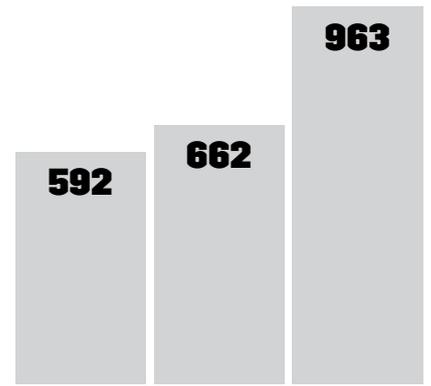
**25 – 29 YEARS**



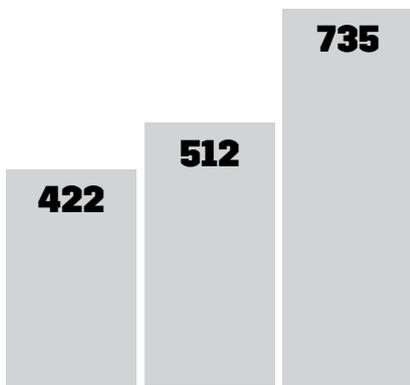
**30 – 34 YEARS**



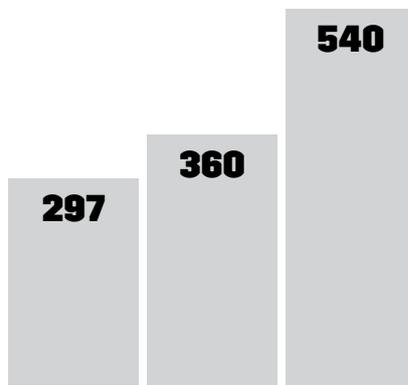
**35 – 39 YEARS**



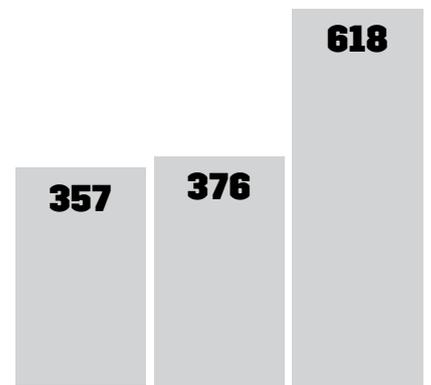
**40 – 44 YEARS**



**45 – 49 YEARS**



**50 – 54 YEARS**



**55+ YEARS**

**TERMINATION PERCENTAGES ARE CALCULATED BY USING  
AVOIDABLE EMPLOYEE TURNOVER AS A PERCENTAGE OF THE 2022 HEADCOUNT**

**AVOIDABLE EMPLOYEE TURNOVER: TERMINATIONS BY AGE GROUP**

Age group	2022			2021			2020		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
18 to 19	—	3	—	—	5	—	—	7	—
20 to 24	6	48	12,5	6	102	5,9	20	160	12,5
25 to 29	28	243	11,5	57	414	13,8	106	765	13,9
30 to 34	45	496	9,1	72	671	10,7	136	1 208	11,3
35 to 39	46	622	7,4	78	854	9,1	136	1 343	10,1
40 to 44	27	592	4,6	53	662	8,0	66	963	6,9
45 to 49	23	422	5,5	28	512	5,5	70	735	9,5
50 to 54	14	297	4,7	16	360	4,4	43	540	8,0
55+	11	357	3,1	23	376	6,1	26	618	4,2
<b>Total</b>	<b>200</b>	<b>3 080</b>	<b>6,5</b>	<b>333</b>	<b>3 956</b>	<b>8,4</b>	<b>603</b>	<b>6 339</b>	<b>9,5</b>

**AVOIDABLE EMPLOYEE TURNOVER: TERMINATIONS BY REGION/PROVINCES**

Region	2022			2021			2020		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
Eastern Cape	6	249	2,4	11	214	5,1	70	386	18,1
Free State	1	18	5,6	1	20	5,0	2	78	2,6
Gauteng	74	723	10,2	88	935	9,4	132	1 373	9,6
KwaZulu-Natal	10	638	1,6	33	583	5,7	90	1 035	8,7
Limpopo	30	257	11,7	32	633	5,1	72	890	8,1
Mpumalanga	46	715	6,4	88	1 066	8,3	132	1 889	7,0
North West	22	102	21,6	5	235	2,1	17	92	18,5
Northern Cape	4	172	2,3	8	48	16,7	32	112	28,6
Western Cape	7	206	3,4	67	222	30,1	56	484	11,6
<b>Total</b>	<b>200</b>	<b>3 080</b>	<b>6,5</b>	<b>333</b>	<b>3 956</b>	<b>8,41</b>	<b>603</b>	<b>6 339</b>	<b>9,5</b>

#### AVOIDABLE EMPLOYEE TURNOVER: TERMINATIONS BY GENDER

Gender	2022			2021			2020		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
Male	165	2 637	6,3	286	3 423	8,4	525	5 385	9,7
Female	35	443	7,9	47	533	8,8	78	954	8,2
<b>Total</b>	<b>200</b>	<b>3 080</b>	<b>6,5</b>	<b>333</b>	<b>3 956</b>	<b>8,4</b>	<b>603</b>	<b>6 339</b>	<b>9,5</b>

#### AVOIDABLE EMPLOYEE TURNOVER: TERMINATIONS BY RACIAL GROUP

Racial group	2022			2021			2020		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
African	123	2 492	4,9	247	3 268	7,6	424	5 354	7,9
Coloured	8	118	6,8	12	142	8,5	42	198	21,2
Indian	6	90	6,7	4	94	4,3	16	130	12,3
White	63	380	16,6	70	452	15,5	121	657	18,4
<b>Total</b>	<b>200</b>	<b>3 080</b>	<b>6,5</b>	<b>333</b>	<b>3 956</b>	<b>8,4</b>	<b>603</b>	<b>6 339</b>	<b>9,5</b>

#### AVOIDABLE EMPLOYEE TURNOVER: TERMINATIONS BY OCCUPATIONAL LEVEL

Occupational level	2022			2021			2020		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
Top management	—	6	—	—	6	—	—	6	—
Senior management	7	60	11,7	10	67	14,9	10	89	11,2
Professional	27	229	11,8	41	239	17,2	67	336	19,9
Skilled	72	713	10,1	87	845	10,3	154	1 257	12,3
Semi-skilled	50	1 042	4,8	132	1 461	9,0	190	2 740	6,9
Unskilled	44	1 030	4,3	63	1 338	4,7	182	1 911	9,5
<b>Total</b>	<b>200</b>	<b>3 080</b>	<b>6,5</b>	<b>333</b>	<b>3 956</b>	<b>8,4</b>	<b>603</b>	<b>6 339</b>	<b>9,5</b>

**NEW APPOINTMENT PERCENTAGES WERE CALCULATED BY USING TOTAL NEW APPOINTMENTS AS A PERCENTAGE OF THE TOTAL 2022 HEADCOUNT**

**NEW APPOINTMENT % PER AGE GROUP**

Age group	2022			2021			2020		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
18 to 19	3	3	100,0	5	5	100,0	7	7	100,0
20 to 24	64	48	133,3	90	102	88,2	136	160	85,0
25 to 29	166	243	68,3	267	414	64,5	392	765	51,2
30 to 34	236	496	47,6	266	671	39,6	458	1 208	37,9
35 to 39	243	622	39,1	299	854	35,0	407	1 343	30,3
40 to 44	174	592	29,4	209	662	31,6	304	963	31,6
45 to 49	124	422	29,4	158	512	30,9	176	735	23,9
50 to 54	58	297	19,5	85	360	23,6	121	540	22,4
55+	78	357	21,8	72	376	19,1	137	618	22,2
<b>Total</b>	<b>1 146</b>	<b>3 080</b>	<b>37,2</b>	<b>1 451</b>	<b>3 956</b>	<b>36,7</b>	<b>2 138</b>	<b>6 339</b>	<b>33,7</b>

**NEW APPOINTMENT % PER REGION**

Region	2022			2021			2020		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
Eastern Cape	98	249	39,4	134	214	62,6	244	386	63,2
Free State	1	18	5,6	2	20	10,0	16	78	20,5
Gauteng	83	723	11,5	142	935	15,2	301	1 373	21,9
KwaZulu-Natal	232	638	36,4	245	583	42,0	500	1 035	48,3
Limpopo	212	257	82,5	233	633	36,8	278	890	31,2
Mpumalanga	148	715	20,7	372	1 066	34,9	386	1 889	20,4
North West	48	102	47,1	115	235	48,9	118	92	128,3
Northern Cape	101	172	58,7	6	48	12,5	134	112	119,6
Western Cape	223	206	108,3	202	222	91,0	161	484	33,3
<b>Total</b>	<b>1 146</b>	<b>3 080</b>	<b>37,2</b>	<b>1 451</b>	<b>3 956</b>	<b>36,7</b>	<b>2 138</b>	<b>6 339</b>	<b>33,7</b>

**NEW APPOINTMENT % PER GENDER**

Gender	2022			2021			2020		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
Male	983	2 637	37,3	1 248	3 423	36,5	1 827	5 385	33,9
Female	163	443	36,8	203	533	38,1	311	954	32,6
<b>Total</b>	<b>1 146</b>	<b>3 080</b>	<b>37,2</b>	<b>1 451</b>	<b>3 956</b>	<b>36,7</b>	<b>2 138</b>	<b>6 339</b>	<b>33,7</b>

## NEW APPOINTMENT % PER RACIAL GROUP

Racial group	2022			2021			2020		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
African	1 051	2 492	42,2	1 326	3 268	40,6	1 911	5 354	35,7
Coloured	28	118	23,7	56	142	39,4	95	198	48,0
Indian	11	90	12,2	5	94	5,3	17	130	13,1
White	56	380	14,7	64	452	14,2	115	657	17,5
<b>Total</b>	<b>1 146</b>	<b>3 080</b>	<b>37,2</b>	<b>1 451</b>	<b>3 956</b>	<b>36,7</b>	<b>2 138</b>	<b>6 339</b>	<b>33,7</b>

## NEW APPOINTMENT % PER OCCUPATIONAL LEVEL

Occupational level	2022			2021			2020		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
Top management	—	6	—	—	6	—	—	6	—
Senior management	2	60	3,3	5	67	7,5	6	89	6,7
Professional	19	229	8,3	24	239	10,0	49	336	14,6
Skilled	92	713	12,9	134	845	15,9	252	1 257	20,0
Semi-skilled	419	1 042	40,2	547	1 461	37,4	739	2 740	27,0
Unskilled	614	1 030	59,6	741	1 338	55,4	1 092	1 911	57,1
<b>Total</b>	<b>1 146</b>	<b>3 080</b>	<b>37,2</b>	<b>1 451</b>	<b>3 956</b>	<b>36,7</b>	<b>2 138</b>	<b>6 339</b>	<b>33,7</b>

## BURSARY SPEND

	Bursary students (Cat A)					Bursary spend (including stipends)				
	All	Female	Female (%)	Black	Black (%)	R'000 All	R'000 Female	Female (%)	R'000 Black	Black (%)
<b>2022</b>										
<b>Total RSA citizens</b>	<b>58</b>	<b>17</b>	<b>29,3</b>	<b>41</b>	<b>70,7</b>	<b>4 880</b>	<b>1 083</b>	<b>22,2</b>	<b>3 797</b>	<b>77,8</b>
Inland	18	6	33,3	12	66,7	955	146	15,3	809	84,7
Coastal	19	6	31,6	13	68,4	1 043	318	30,5	725	69,5
Western Cape	8	2	25,0	6	75,0	486	67	13,8	419	86,2
Mechanical Electrical Piping	13	3	23,1	10	76,9	2 396	552	23,0	1 844	77,0
<b>2021</b>										
<b>Total RSA citizens</b>	<b>58</b>	<b>18</b>	<b>31,0</b>	<b>34</b>	<b>58,6</b>	<b>2 197</b>	<b>951</b>	<b>43,3</b>	<b>1 757</b>	<b>80,0</b>
Inland	25	9	36,0	11	44,0	882	584	66,2	897	101,7
Coastal	5	1	20,0	4	80,0	96	16	16,7	80	83,3
Western Cape	21	8	38,1	13	61,9	994	351	35,3	643	64,7
Mechanical Electrical Piping	7	—	—	6	85,7	225	—	—	137	60,9
<b>2020</b>										
<b>Total RSA citizens</b>	<b>84</b>	<b>32</b>	<b>38,1</b>	<b>59</b>	<b>70,2</b>	<b>2 819</b>	<b>996</b>	<b>35,3</b>	<b>2 284</b>	<b>81,0</b>
Inland	34	13	38,2	20	58,8	786	421	53,6	716	91,0
Coastal	10	7	70,0	7	70,0	602	214	35,5	449	74,6
Western Cape	33	12	36,3	29	87,8	1 206	361	30,0	982	81,4
Mechanical Electrical Piping	7	—	—	3	42,9	225	—	—	137	60,9

# EMPOWERLOGIC

## Broad Based Black Economic Empowerment Verification Certificate

A Consolidated Verification Certificate Issued to

**Stefanutti Stocks (Pty) Ltd**

**Level 1 Contributor**

### Measured Entity

**Company Name** Stefanutti Stocks (Pty) Ltd  
**Registration Number** 2003/022221/07  
**VAT Number** 4530254244  
**Address** Protec Park  
 Cnr Zuurfontein Ave and Oranjeriver Drive  
 Kempton Park  
 1619

### B-BBEE Status

B-BBEE Status Level	Level 1		
<b>Total Points Obtained</b>	100.21	EO: 21.17 points; MC: 11.72 points; SD: 25 points; ESD: 36.33 points; SED: 6 points	
<b>Discounting Principle Applied</b>	No	<b>Measurement Period Year End</b>	28/02/2021
<b>Empowering Supplier</b>	Yes	<b>Participated in Y.E.S Initiative</b>	No
<b>Black Voting Rights</b>	64.28%	Achieve Y.E.S Target and 2.5% Absorption	
<b>Black Women Voting Rights</b>	0.00%	Achieve 1.5 x Y.E.S Target and 5% Absorption	
<b>Black Economic Interest</b>	64.28%	Achieve Double x Y.E.S Target and 5% Absorption	
<b>Black Women Economic Interest</b>	0.00%	<b>Black New Entrants</b>	6.96%
<b>51% Black Owned*</b>	Yes	<b>Black Designated Groups</b>	0.58%
<b>30% Black Women Owned*</b>	No	Black Youth	0.58%
<b>Normal Flow Through Principle Applied</b>	No	Black Disabled	0.00%
<b>Modified Flow Through Principle Applied</b>	No	Black Unemployed	0.00%
<b>Exclusion Principle Applied</b>	Yes	Black People Living in Rural Areas	0.00%
		Black Military Veterans	0.00%

BEE Procurement Recognition Levels		
Level	Qualification	%
1	≥ 100 Points	135%
2	≥ 95 but < 100	125%
3	≥ 90 but < 95	110%
4	≥ 80 but < 90	100%
5	≥ 75 but < 80	80%
6	≥ 70 but < 75	60%
7	≥ 55 but < 70	50%
8	≥ 40 but < 55	10%
Non Compliant		<40 0%
Enquiries Tel: 086 111 4003		
<a href="http://www.empowerlogic.co.za">www.empowerlogic.co.za</a>		

**Issue Date** 17/08/2021  
**Expiry Date** 16/08/2022  
**Certificate Number** ELC10405RGENBBCON  
**Version** Final  
**Applicable Scorecard** Amended Construction - Generic Contractor  
**Applicable BBBEE Codes** Amended Construction Sector Codes Gazetted 1 December 2017

\*Black Owned: ≥51% and full points for Net Value

\*Black Women Owned: ≥30% and full points for Net Value



SANAS Accredited

**EmpowerLogic (Pty) Ltd**

Reg. No. : 1995/000523/07

BBBEE Verification Agency

Per Gianna Le Roux

Member - Verification Committee



BVA018

This certificate supersedes any previous certificates issued to the Measured entity. This certificate is the result of an independent and impartial verification of the BBBEE status of the measured entity measured against the Codes of Good Practice on Broad Based Black Economic Empowerment. This certificate has been issued in accordance with the EmpowerLogic Verification Certificate Policy. EmpowerLogic uses the Law Trust advanced electronic signature system (AeSign) which is compliant with the Electronic Communications and Transactions Act no 25 of 2002. The validity of the certificate is ensured as long as the digital signature details corresponds with the Technical Signatory's details as displayed on the certificate.

# ABBREVIATIONS AND DEFINITIONS

<b>"ARCO"</b>	Audit, Governance and Risk Committee	<b>"MQA"</b>	Mining Qualifications Authority
<b>"ATR"</b>	Actual Training Report	<b>"NAV"</b>	Net asset value
<b>"B-BBEE"</b>	Broad-based black economic empowerment	<b>"NPC"</b>	Non-profit company
<b>"CEO"</b>	Chief Executive Officer	<b>"OHS"</b>	Occupational health and safety
<b>"CETA"</b>	Construction Education and Training Authority	<b>"OHSE"</b>	Occupational health, safety and the environment
<b>"CIDB"</b>	The Construction Industry Development Board	<b>"OHS MS"</b>	Occupational health and safety management system
<b>"CIPC"</b>	Companies and Intellectual Property Commission	<b>"PPE"</b>	Personal protective equipment
<b>"CLOs"</b>	Community Liaison Officers	<b>"QMS"</b>	Quality management systems
<b>"CRO"</b>	Chief restructuring officer	<b>"QSE"</b>	Qualifying Small Enterprise
<b>"CSI"</b>	Corporate social investment	<b>"RCR"</b>	Recordable case rate
<b>"ED"</b>	Enterprise development	<b>"RSA"</b>	Republic of South Africa
<b>"EE"</b>	Employment equity	<b>"S@S"</b>	Systems at Stefanutti Stocks
<b>"EME"</b>	Emerging micro enterprise	<b>"SDL"</b>	Skills Development Levy
<b>"EMS"</b>	Environmental management system	<b>"SED"</b>	Socio-economic development
<b>"EQ"</b>	Emotional intelligence	<b>"SENS"</b>	Stock Exchange News Service
<b>"EXCO"</b>	Executive Committee	<b>"SETA"</b>	Sector Education and Training Authorities
<b>"FFR"</b>	Fatality frequency rate	<b>"SHE"</b>	Safety, health and environmental
<b>"GBCSA"</b>	Green Building Council of South Africa	<b>"SHEQ"</b>	Safety, health, environment and quality
<b>"HR"</b>	Human resources	<b>"SSO"</b>	Site safety observations
<b>"ICT"</b>	Information communication technology	<b>"TB"</b>	Tuberculosis
<b>"ISO"</b>	International Organization for Standardization	<b>"the current year"</b>	The financial year ended 28 February 2022
<b>"JSE"</b>	Johannesburg Stock Exchange	<b>"the next year"</b>	The financial year ended 28 February 2023
<b>"KPI"</b>	Key performance indicator	<b>"the previous year"</b>	The financial year ended 28 February 2021
<b>"LE"</b>	Leadership engagement	<b>"VFL"</b>	Visible felt leadership
<b>"LTI"</b>	Lost-time injury	<b>"VMS"</b>	Vendor management system
<b>"LTIFR"</b>	Lost-time injury frequency rate	<b>"VRP"</b>	Voluntary Rebuild Programme
<b>"MII"</b>	Maharishi Invincibility Institute	<b>"WSP"</b>	Workplace Skills Plan

# CORPORATE INFORMATION

## COMPANY INFORMATION

### Stefanutti Stocks Holdings Limited

Share code: SSK ISIN: ZAE000123766

JSE Sector: Construction Year-end: 28 February

### Registration number

1996/003767/06

### Country of incorporation

South Africa

### Registered office

No. 9 Palala Street, Protec Park, Cnr Zuurfontein Avenue and Oranjerivier Drive, Kempton Park, 1619

### Postal address

PO Box 12394, Aston Manor, 1630

Telephone number

+27 11 571 4300

### Directors

As at 13 June 2022: ZJ Matlala\* (Chairman); B Harie\*; BP Silwanyana\*; HJ Craig\*; JM Poluta\*; RW Crawford (CEO); Y du Plessis (CFO);

*\* Independent non-executive directors.*

## COMPANY SECRETARY

### WR Somerville

Co-Unity Offices, 18 Royal Street, Hermanus, Western Cape, 7200

## AUDITORS

### Mazars

Mazars House, 54 Glenhove Road, Melrose Estate, 2196

PO Box 6697, Johannesburg, 2000

Telephone number

+27 11 547 4000

## ATTORNEYS

### Webber Wentzel

90 Rivonia Road, Sandton, Johannesburg, 2196

PO Box 61771, Marshalltown, 2107

Telephone number

+27 11 530 5000

## TRANSFER SECRETARIES

### Computershare Investor Services (Pty) Ltd

Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

PO Box 9000, Saxonwold, 2132

Telephone number

+27 11 370 5000

## SPONSOR

### Bridge Capital Advisors (Pty) Ltd

10 Eastwood Road, Dunkeld, 2196

PO Box 651010, Benmore, 2010

Telephone number

+27 11 268 6231

## BANKERS

Banco Comercial e de Investimentos

Banco Internacional de Mocambique

Banco Nacional de Investimento

Eswatini Bank Limited

First National Bank,  
a division of FirstRand Bank Limited

First National Bank Botswana Limited

First National Bank Eswatini,  
a division of FirstRand Bank Limited

Nedbank Limited

Nedbank Eswatini Limited

Standard Bank Mocambique Limited

Stanbic Bank Botswana Limited

Stanbic Bank Zambia Limited

Standard Bank Eswatini

United Bank for Africa Mozambique SA

United Bank for Africa Zambia Limited

[www.stefanuttistocks.com](http://www.stefanuttistocks.com)



