



# Sustainability Report 2023

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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 larger world agenda.



## More information

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

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



# About this report

## Scope and boundary

This 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 2023 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 2023, are available on the company's website.

The requirement for external 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 group defines material issues as those matters having the potential to affect its strategy, business model, sustainability or one or more of the capitals, namely: 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 this 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 operations 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. This 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

19 June 2023



# The Stefanutti Stocks Way

## Flawless execution

- Do it right the first time
- Lean culture
- Plant and equipment – our pride
- Proper planning prevents poor performance
- Relationships with construction partners and supply chain
- Simple, efficient standardised processes and procedures
- Zero harm

## The Stefanutti Stocks Way

## Energised and engaged employees

- Accountability at all levels
- Developing our people
- Involved with our people
- Live our values
- Owners mindset
- Performance management and feedback
- Right people in the right places
- Transformed and diverse organisation
- Understand the next generation

## Client relations

- Alternative procurement and execution methods
- Customer relationship management
- Presence with clients
- Regular engagement
- Solutions-driven culture
- Under promise and over deliver
- Understand clients and project needs

# 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

To ensure the information and communication technologies (ICT) 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 continually improve upon a well-established environmental management system (EMS), occupational health and safety management system (OHS MS) as well as quality management system (QMS) to ensure effective EMS, OHS MS and QMS core processes.

Continual review of these management systems to ensure efficiency and simplicity in the implementation and maintenance thereof on new and existing projects. A centralised hub of procedures and documentation, as well as a constructive Safety, Health and Environmental (SHE) and Quality Forum to monitor, measure, analyse and evaluate core processes in the interest of advancement. The development of safety, health, environment and quality (SHEQ) processes, templates and requirements on the Systems at Stefanutti Stocks (S@S) will enable electronic functionality of the above management systems and reduce the need for arduous and variable administrative activities. Built-in tracking systems to ensure processes are followed, and corrective actions are closed out and measured for effectiveness.

### Finance

Chairman — Yolanda du Plessis

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

# 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.

## Mission

Excellence in execution

CIDB contractor

Category 9

B-BBEE contributor

Level 1

South African employees

2 707

Group workforce

6 405

## 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

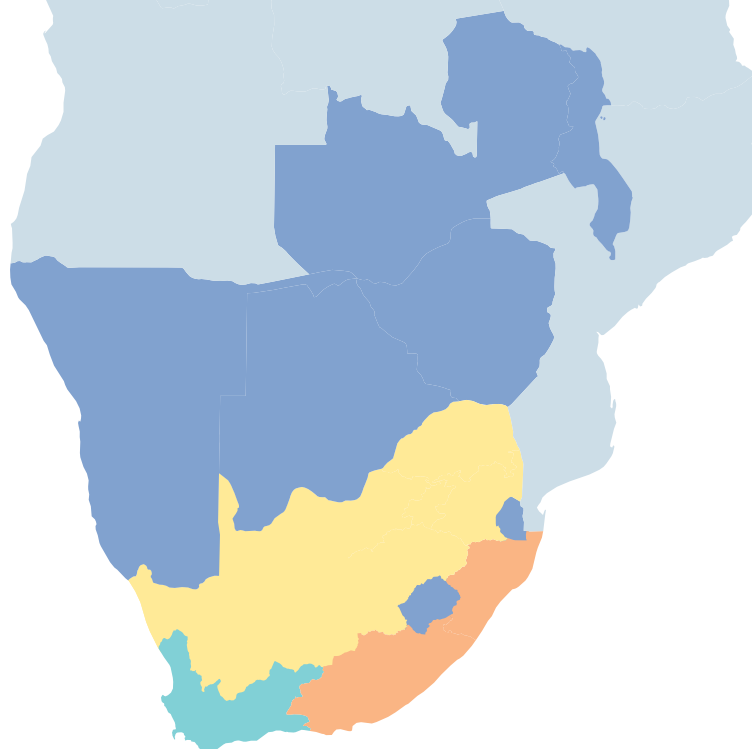
A passionate mindset that puts quality at the forefront of all business activity.

### Dynamic

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

# Operational footprint

- Inland
- Coastal
- Western Cape
- Africa



**Regional operations in Africa**  
Shaded countries on the map indicate the group's operational footprint

**The group operates throughout South Africa and sub-Saharan Africa with multi-disciplinary expertise including concrete structures, specialist concrete repairs, piling, geotechnical services, roads and earthworks, renewable energy, bulk pipelines, materials handling, tailings management, all forms of building works, mechanical, electrical and piping.**

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, Mauritius, Namibia, Zambia and Zimbabwe in both the private and public sectors.

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

The group's workforce is 6 405, including 2 707 South African employees, with its head office based in Kempton Park, Gauteng.

The group has a values-driven culture which underpins 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.

# Stakeholder engagement

## Employees

Crucial feedback is provided throughout the business, through the group's interaction with employees. Various formal and informal methods have been implemented by management to meaningfully engage with employees.

Engagement with employees continues for the duration of the employment cycle. After recruitment, the next engagements occur at monthly group induction sessions. Recruits gain a broad understanding of the group, its internal organisational structure and basic policies and procedures. The sessions also act as an introductory discussion when selecting a benefit fund best suited to the employee.

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

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

The company's progressive approach towards health and safety is demonstrated by its leadership engagement (LE) and visible felt leadership (VFL) initiatives. The group promotes greater personal involvement, acceptance and responsibility among employees. This is a shift from the previous approach of compliance and hard-lined management control to a behavioural based approach.

These initiatives provide two-way communication opportunities allowing employees to contribute to problem solving, while also giving a better understanding of any concerns that are raised.

In an employee survey conducted by the group, focus areas included employee satisfaction with the company, their jobs, colleagues and communication, among others. Employees received feedback from the survey with solutions being drawn from their own suggestions.

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

Engaging with local communities is key to ensuring successful project delivery and it is crucial to engage at the inception of projects.

By considering local communities' needs and expectations when sourcing and selecting local subcontracting and vendor options, the group can create a sense of ownership, transparency and responsibility within the community. Community Liaison Officers (CLOs) are crucial to successfully engage with communities. Their important role includes communication with local community leaders and forums, assisting with the recruitment process, and acting on behalf of Stefanutti Stocks as community spokespersons. Communities have intimate knowledge and a unique relationship with their respective environments and CLOs provide a platform for stakeholders to table concerns and queries.

Engaged members of communities can become some of the company's greatest brand ambassadors. They help to promote the group's interest, which can lead to 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 collectively bargain and strike. This is also in line with the Labour Relations Act which establishes the working framework for both employees and employers.

For the year under review, 711 (2022: 773) employees belonged to trade unions, representing 41% (2022: 36%) 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 lack of investment in the construction industry as well as the completion of major construction projects has significantly contributed to the decline in trade union membership. The role of trade unions in the construction industry cannot be underestimated as collective bargaining is key to a healthy employer/employee relationship.

Five trade unions operate within Stefanutti Stocks with stop order facilities in place (2022: five).

Some of these unions represent the majority of employees within certain regions which entitles them to certain organisational rights. Stefanutti Stocks negotiates with two unions at a centralised bargaining unit known as the Bargaining Council for the Civil Engineering Industry.

Stefanutti Stocks embraces collective bargaining and engagement with the trade unions, which significantly impact the employer/employee relationship.



## Clients

Stefanutti Stocks strongly believes in ongoing engagement with clients. Clients are engaged through the Client Satisfaction Surveys. Details of these are captured and summarised in the Client Relations section of this report.

Supplementing the effort of engaging clients, the group has initiated the "Client Engagement" functionality which forms part of senior management's responsibility. This will track all future work with the relevant clients and associated contact persons.

## Suppliers

Suppliers and vendors are important stakeholders, and the group focuses on enhancing and developing these key relationships.

The group promotes open channels of communication and engagement with its suppliers. To enhance and streamline interaction between the company, its staff and suppliers, open and honest feedback is encouraged.

## Enterprise development partners

Stefanutti Stocks acknowledges the value of enterprise development (ED). The group ED strategy is to facilitate and maintain solid working relationships with capable black-owned companies, as either suppliers or contractors, or both. 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.

Management teams within the region and group support services, identify and select ED partner beneficiaries via the new entrant selection process to align with group operations.

The new entrant process is a multi-phase process that is followed to objectively review potential ED partners viability and suitability to join the programme.

## VRP partners

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

## The JSE, industry bodies and government regulators

The company secretarial and finance functions monitor the compliance with the JSE Listings Requirements and the Companies Act. These functions also monitor the group's application of King IV with various board committees providing oversight.

## Shareholders and investors

The group mainly interacts with its various shareholders and investors through announcements released on the JSE's Stock Exchange News Service (SENS). These communications inform stakeholders of the group's financial results as well as other relevant financial or regulatory matters.

Other forms of communication include the circulation of year-end and interim financial results and reports, group presentations and region-specific site visits and meetings.

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

On its website, the company provides 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.

## Lenders

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

At monthly Lender Group meetings, the group engages with the Lenders, and the following is discussed:

- performance against the Restructuring 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 2024 financial year-end.

# Material risks

**As a South African construction group, it is important to understand the impact of material risks on the business and the communities living in areas in which it operates.**

Material risks refer to events that have a significant impact on the group's performance, reputation, and ability to create long-term value for stakeholders. These risks can range from environmental concerns and labour practices to community engagement and ethical business practices. The group performs a comprehensive overview of the material risks that will affect the group, how they are addressed and the progress made in mitigating any potential negative impacts. By prioritising these material risks and addressing them in a transparent and responsible manner, the group ensures its long-term sustainability and success.

For a detailed register of all the group's material risks, please refer to page 9 of the Stefanutti Stocks Integrated Annual Report 2023, which is also available on the website.

The group identifies its material risks through the following process:

## 1. Identify key stakeholders

The first step is to identify the group's key stakeholders, including clients, suppliers, employees, shareholders, funders, regulators and communities. These stakeholders may have different perspectives and priorities, and it is important to understand their expectations and concerns.

## 2. Conduct a materiality assessment

A materiality assessment is performed to evaluate the impact and importance of various events on the group and its stakeholders. This is done through surveys, interviews, focus groups, and other forms of engagement. The assessment considers both the potential risks and opportunities associated with each event.

## 3. Prioritise material events

Based on the results of the materiality assessment, the group prioritises the material events that are most significant to its business objectives and stakeholders. A ranking system is used, covering the inherent risk of each such event, the proposed actions (mitigants and controls) taken by management to either transfer, avoid, accept, reduce or eliminate the identified risks. The risk that remains after all reasonable efforts have been made to reduce or eliminate the inherent risk (the residual risk) is then ranked from high to low.

## 4. Develop a strategy to address material residual risks

Once the material residual risks are identified, prioritised and ranked, the group develops a strategy to address each material individual residual risk. This involves setting targets, developing policies and procedures, and allocating resources to specific initiatives. The strategy also includes a plan for monitoring and reporting on progress made.

## 5. Review and update regularly

Material inherent and residual risks can change over time. These are reviewed and updated on a regular basis, through ongoing engagement with stakeholders and monitoring external trends and developments.

# Value-added statement

	2023 %	2023 R'000	2022 %	Restated 2022 R'000
<b>Based on continuing operations</b>				
<b>Contract revenue</b>		<b>5 979 555</b>		5 968 484
Less: Costs of materials, services and subcontractors		<b>(4 356 031)</b>		(4 625 376)
Value added by operations	<b>98,4</b>	<b>1 623 524</b>	98,0	1 343 108
Investment income	<b>1,7</b>	<b>28 459</b>	1,4	19 010
Share of equity-accounted investees	<b>(0,1)</b>	<b>(1 468)</b>	0,7	8 958
<b>Total value add</b>	<b>100,0</b>	<b>1 650 515</b>	100,0	1 371 076
Distributed as follows:				
<b>Corporate social investment</b>				
Donations and other community investments	<b>0,1</b>	<b>1 833</b>	0,1	873
<b>Employees</b>				
Short-term and post-employment benefit costs	<b>87,3</b>	<b>1 439 554</b>	97,8	1 341 113
<b>Providers of finance</b>				
Interest and finance charges	<b>7,8</b>	<b>128 849</b>	8,2	112 882
Operating lease rentals	<b>2,4</b>	<b>39 908</b>	3,9	53 452
<b>Government</b>				
Taxation	<b>2,2</b>	<b>36 330</b>	5,8	79 913
<b>Total value distributed</b>	<b>99,8</b>	<b>1 646 474</b>	115,8	1 588 233
<b>Reinvested in the group</b>	<b>0,2</b>	<b>4 041</b>	(15,8)	(217 157)
Reserves available to ordinary shareholders	<b>(2,3)</b>	<b>(37 499)</b>	(19,8)	(271 432)
Depreciation	<b>2,5</b>	<b>41 540</b>	4,0	54 275
	<b>100,0</b>	<b>1 650 515</b>	100,00	1 371 076
Value-added ratios				
Number of employees — total operations		<b>6 405</b>		5 611
Less: Employees forming part of discontinued operations		<b>(704)</b>		(930)
Number of employees — continuing operations		<b>5 701</b>		4 681
Contract revenue per employee (rand)		<b>1 049</b>		1 275
Value created per employee (rand)		<b>290</b>		293

The group did not receive any financial assistance from government during the year.

# Group performance review

Performance indicator	Definition	Measurement	2023	2022
<b>Economic</b>				
Contract revenue	Contract revenue is the income that the group generated from its normal business activities	R'000	<b>5 979 555</b>	5 968 484**
Profit/(loss) attributable to equity holders	The portion of consolidated profit/(loss) for the year, net of income taxes, which is attributable to the parent	R'000	<b>14 587</b>	(415 208)
Earnings per share	Earnings per share is calculated by dividing net earnings by the total number of shares outstanding	cents	<b>8,72</b>	(248,27)
Headline earnings per share	Headline earnings are a measurement of a company's earnings based solely on operational and capital investment activities	cents	<b>(38,73)</b>	(97,07)
Net asset value (NAV)	NAV is the value of an entity's assets minus liabilities	R'000	<b>(66 364)</b>	(90 019)
NAV per share	NAV divided by the number of shares outstanding	cents	<b>(39,68)</b>	(53,83)
<b>Employees</b>				
Total number of employees RSA operations	Number of employees in Republic of South Africa (RSA)	number	<b>2 707</b>	3 080
Total number of black employees*	Number of black employees in RSA	number	<b>2 161</b>	2 700
Training and development spend	Rand value of training spend in RSA	Rm	<b>8,1</b>	8,1
% of spend in RSA on black employees*	Percentage of training spend on black employees in RSA	% of total	<b>91,1</b>	92,6
Total number of bursaries, learnerships and apprentices	Number of bursaries, learnerships and apprentices in RSA	number	<b>142</b>	80
Black bursaries, learnerships and apprentices	Percentage of black bursaries, learnerships and apprentices in RSA	% of total	<b>86,6</b>	85,2
Black women bursaries, learnerships and apprentices	Percentage of black female bursaries, learnerships and apprentices in RSA	% of total	<b>21,1</b>	20
<b>Transformation and local economic development</b>				
Broad-based black economic empowerment (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>79,8</b>	87,7
RSA-based women	Percentage of female employees in RSA	% of total RSA employees	<b>14,8</b>	14,4
RSA-based black managers and supervisors*	Percentage of black managers and supervisors in RSA	% of total RSA employees	<b>10,6</b>	16,2
RSA-based female managers and supervisors	Percentage of female managers and supervisors in RSA	% of total RSA employees	<b>0,2</b>	2,1
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>1 833</b>	873
Enterprise development	Investing time and capital to help people establish, expand or improve business	R'000	<b>653</b>	1 615

\* Black employees include African, Coloured and Indian.

\*\* Restated.

Performance indicator	Definition	Measurement	2023	2022
<b>Health</b>				
Noise-induced hearing loss (NIHL)	Number of hearing loss cases	Number of NIHL cases submitted to audiologist	<b>21</b>	157
	Loss of hearing caused by the employees' occupation	Number of claims submitted for workmen's compensation claims	<b>1</b>	—
Number of random drug tests	Surveillance measurement in terms of the company's substance abuse policy	Number of drug tests	<b>1 319</b>	1 019
% of random drug tests that were positive	Result of test done where employees were identified as using a substance	Percentage of total	<b>3</b>	2
Tuberculosis (TB) questionnaires completed	Surveillance measurement in terms of the company's dread disease policy	Number of TB questionnaires completed	<b>1 312</b>	1 359
Number of TB cases	Employees indicated that they might be a TB suspect	Number of cases referred to a doctor	<b>20</b>	—*
<b>Safety</b>				
Fatalities	Any work-related death caused during the employees' occupation	Number of fatalities	—	—
Lost-time injury frequency rate (LTIFR)	Any work-related injury where the person lost productive days caused during the employees' occupation	Lost-time injury frequency rate	<b>0,05</b>	0,03
Total recordable case rate (RCR)	Any work-related injury where the person received medical treatment from an occupational health practitioner caused during the employee's occupation	Recordable case rate	<b>0,44</b>	0,28
ISO 45001 Management System	An international standard for occupational health and safety management systems	Percentage of certified management systems within the organisation	<b>100</b>	100
<b>Environmental</b>				
ISO 14001 Management System	An international standard for environmental management systems	Percentage of certified management systems within the organisation	<b>100</b>	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	<b>45 996</b>	50 171
Scope 2	Carbon emissions for electricity used from the national grid	tonnes	<b>2 769</b>	12 762

\* No tests conducted in the previous year.

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



# Energised and engaged employees

## Involved with our people

### Introduction

Stefanutti Stocks continues to focus on implementing the strategic driver “Energised and Engaged Employees”, as employees are key to its success.

The company encourages an entrepreneurial spirit underpinned by its Founder’s Mentality at the workplace.

The resulting positive attitude and mindset of the group’s employees differentiates Stefanutti Stocks from its peers and creates a competitive advantage, culminating in on-time and quality project delivery.

Stefanutti Stocks invests 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.

Well established and sound human resource practices facilitate an employee value proposition that builds a strong employee affiliation with the company brand.

### Current focus areas

The key focus areas for the year included the following:

- Focus on B-BBEE initiatives to maintain the group’s Level 1 Contributor status which has been achieved.
- A continued drive to roll out the employee engagement template. This has been achieved but below the expected 80% mark.
- Significant progress has been made in implementing a retention strategy for key talent. This has been achieved in the identified skills.
- Review and approval of the new employment equity (EE) plans to be more aligned to the regional structure — this is in progress.

### Employee engagement survey

In May 2022, the group conducted an employee engagement survey. Focus areas included employee satisfaction with the company, their jobs, colleagues and communication, among others. With a participation rate of 65%, an overall score of 80% was achieved, exceeding the international benchmark of 71%.

### Other initiatives

#### Employee wellness programme

The group promotes good health and well-being in the workplace and at home by supporting employees through a professional employee wellness programme. The group has appointed a new service provider with a more detailed and favourable offer.

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.
- **Hello Doctor service** is available to all permanent employees including hourly paid permanent employees. This is telephonic advice from medical doctors.
- **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 increased from 1,5% to 4,7% during the year, which remains lower than the industry average of 6,9%.
- In addition, the group intervention participant rate increased from 0,4% to 1,6%, below the industry benchmark of 1,9%. Eighteen individuals were assisted in a group context, for group trauma and family intervention.
- Overall, engagement decreased from 5,1% to 4,7% year-on-year, still well below the industry average of 11,3%.
- Presenting problems:
  - Relationship issues continue to be the highest presenting problem cluster, representing 3,1% (Feb 2022: 23%) 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 16,8% to 3,6%. Key issues managed include stress, anxiety and depression. A few issues relating to depression were also addressed.
- Risk management:
  - There were no risk cases flagged for potential substance abuse or suicide.
  - Individuals struggle with various issues and received assistance through telephone and face to face counselling and/or clinical information. 50 cases have been resolved while two are still in progress.

## Clinical cardiovascular disease risk factors

Clinical risk	Description	Percentage of employees (%)	
		2023	2022
Estimated body fat percentage	Employees with an estimated body fat% that is not acceptable	18,7	14,0
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.	27,5	27,0
Total cholesterol	Employees with cholesterol readings over 5,2 mmol/L	100 (two tested)	None tested
Glucose	Employees with glucose readings over 7,8 mmol/L	2,9 (1 518 tested)	3,3 (951 tested)
Smoking	Employees who are presently smoking	35,0	23,0

## 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 2 174 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 80,1% within the normal range and 18,7% in the obesity range.
- Health risk assessments identified 174 (2022: 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 four controlled asthmatics with three uncontrolled, 21 controlled diabetics with 15 uncontrolled, and 41 controlled hypertensives with 52 uncontrolled.
- Ergonomic evaluation.
- Dynamometry and strength testing.

## Employee benefits

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

Employees receive various group benefits depending on their employment status. 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.

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

Employees are allocated study leave to assist in skills development.

In South Africa, parental leave includes maternity leave and family responsibility leave when a child is born. All 2 707 employees in South Africa are entitled to parental leave. For the year under review, the company had a 100% (2022: 94%) return-to-work rate after parental leave ended. 73% (2022: 56%) of employees that took parental leave were still employed 12 months after returning to work.

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

## Management approach

The company'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.

A Human Rights Policy has been implemented with the aim of regulating this important aspect of the group's responsibility.

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.

To ensure the promotion of equality, and alignment with any relevant changes in legislation, the company continually reviews its policies, procedures, practices and the work environment.

One case of assault and one case 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.

Stefanutti Stocks 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 UNGCHRL principles.

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

The group is an active member of the following industry associations:

- South African Forum of Civil Engineering Contractors (SAFCEC). This forum has current challenges which Stefanutti Stocks is addressing as a concerned member.
- Master Builders South Africa (MBSA).
- Steel and Engineering Industries Federation of South Africa (SEIFSA).

The company provides Human Resources (HR) expertise to SAFCEC to help shape the future of the construction industry.

In total, 41% (2022: 36%) 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 68,0% (2022: 69,6%) 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).

Employees undergo an induction process upon commencing employment with the group 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 2023 the total staff complement for the group was 6 405 employees (2022: 5 611), excluding temporary employment service employees with 2 707 (2022: 3 080) local employees and 3 698 (2022: 2 531) based beyond South African borders. A further 1 264 (2022: 1 309) were local temporary employment service employees.

Due to the specific requirements and durations of projects, the group's staff complement fluctuates. Calculated on total headcount, avoidable employee turnover for the year was 10,7% (2022: 6,5%). The percentage of newly appointed employees, including those employed on limited duration contracts, was 55% (2022: 37%) of the company's total RSA headcount.

For further information, refer to the table total employee turnover by type on page 16.

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

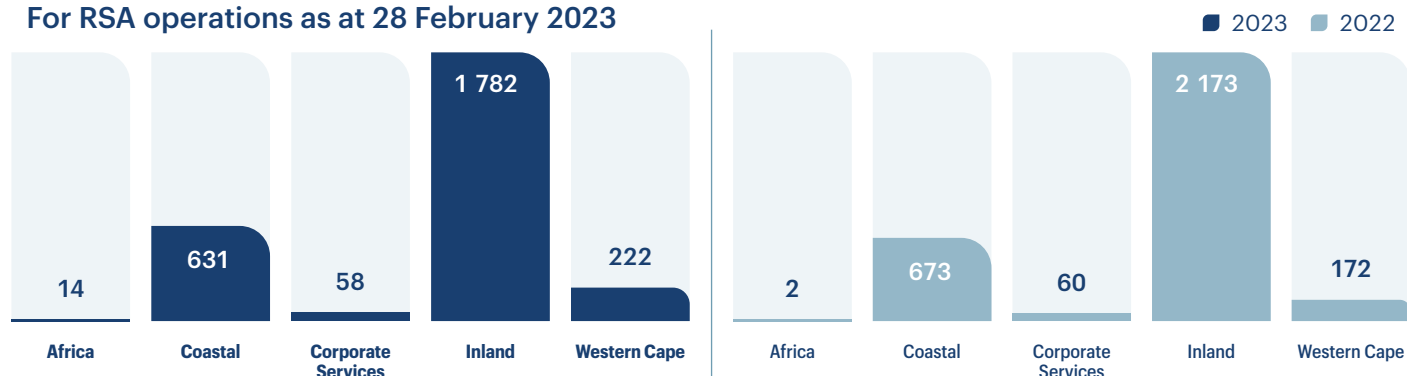
### Future key focus areas

- A refocus on the Stefanutti Stocks Way and Founder's Mentality.
- A formal adoption and rollout of a Patterson Job evaluation system.
- Talent management and skills retention.
- 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.

### Total headcount for all operations as at 28 February 2023



## Total headcount per region For RSA operations as at 28 February 2023



## Headcount for foreign operations as at 28 February 2023

Country	2023	2022	2021
Botswana	670	276	830
Eswatini	958	922	1 002
Mozambique	704	461	1 338
Namibia	2	—	1
Nigeria	—	—	291
United Arab Emirates (Al Tayer Stocks)	—	—	513
Zambia	883	851	762
Zimbabwe	481	21	—
<b>Total</b>	<b>3 698</b>	<b>2 531</b>	<b>4 737</b>

## Headcount by appointment type, employment type and gender for RSA operations as at 28 February 2023

	2023	%	2022	%	2021	%
<b>Permanent employees</b>	<b>1 443</b>	<b>53,3</b>	1 771	57,5	2 271	57,4
Youth (18 to 34 years)	232	16,1	341	19,3	496	21,8
— Male	1 237	45,7	1 524	49,5	1 983	50,1
— Female	206	7,6	247	8,0	288	7,3
<b>Contract employees</b>	<b>1 264</b>	<b>46,7</b>	1 309	42,5	1 685	42,6
Male	1 069	39,5	1 113	36,1	1 440	36,4
Female	195	7,2	196	6,4	245	6,2
<b>Total employees</b>	<b>2 707</b>	<b>100,0</b>	3 080	100,0	3 956	100,0
<b>Employment type</b>						
Salaried	869	32,1	941	30,6	1 081	27,3
Hourly paid	1 838	67,9	2 139	69,4	2 875	72,7
<b>Male</b>	<b>2 306</b>	<b>85,2</b>	2 637	85,6	3 423	86,5
Salaried	636	23,5	699	22,7	810	20,5
Hourly paid	1 670	61,7	1 938	62,9	2 613	66,0
<b>Female</b>	<b>401</b>	<b>14,8</b>	443	14,4	533	13,5
Salaried	233	8,6	242	7,9	271	6,9
Hourly paid	168	6,2	201	6,5	262	6,6

## Total employee turnover by type: RSA operations

The table represents total terminations (avoidable and unavoidable) for the year

	2023 terminations	2023 % of total turnover	2022 terminations	2022 % of total turnover	2021 terminations	2021 % of total turnover
Avoidable (resignations, dismissals due to misconduct)	152	10,7	200	9,5	333	9,8
Unavoidable (death, retirements, dismissals due to operational requirements and ill health)	297	20,9	509	24,2	1 396	41,0
End of contract	971	68,4	1 391	66,3	1 679	49,2
	<b>1 420</b>		2 100		3 408	

## Parental leave

Occupational level	2023			2022			2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Employees entitled to parental leave	2 306	401	2 707	2 637	443	3 080	3 423	533	3 956
Employees taking parental leave	—	11	11	5	13	18	27	105	132
Employees returning to work immediately after parental leave	—	11	11	5	12	17	27	105	132
Employees that were still employed 12 months after taking parental leave	—	8	8	2	8	10	21	67	88

## Developing our people

### Introduction

The group is committed to empowering its employees through ongoing training and development, despite the negative impact and challenges of the unfavourable economic climate.

By continuing with operational training, programmes and bursaries, the group understands that a talented and diverse workforce is fundamental to the long-term sustainability of the business.

### Current and future key focus areas

The Stefanutti Stocks Academy provides internal training to employees with a focus on operator and construction skills training. Throughout the year, the Academy concentrated on the following key areas:

- Developing and registering essential courses and programmes to expand the scope of the Academy as required by the regions.
- Continuously improving its existing programmes to ensure that they remain relevant to the needs of the business and requirements of the broader construction industry.
- Special attention was given to the mentorship/coaching of Training Officers to ensure they facilitate at the highest possible level.
- Moving away from only servicing certain regions, focus has shifted towards servicing the entire group.
- Developing and launching a module in the S@S application to aid with tracking essential operator documentation such as certificates, licences and medicals to ensure their safety and compliance.

In the year ahead, the Academy will continue to focus on these areas as well as other staff development initiatives that are identified.

Stefanutti Stocks invested R8,1 million (2022: R8,0 million) in skills development and training during the year. This amount excludes employees' salaries while receiving training.

The group sponsored a further 87 (2022: 17) scholarships through the Maharishi Invincibility Institute (MII), Star Schools and Training Force to the value of R2 million (2022: R2,5 million).

During the year, three (2022: 10) 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 nine (2022: seven) scholarships are focused on black disabled candidates, affording them the opportunity to attend a full one-year qualification in Production and Manufacturing. Additionally, 75 black scholarship candidates were funded for matric rewrite tuition, thus enabling them to gain access to higher education by making use of supplementary education.

### Management approach

The Academy maintained its accreditation with the Mining Qualifications Authority (MQA) and Construction Education and Training Authority (CETA). The group migrated the full MQA accreditation to CETA comprising of two full qualifications made up of 42 unit standards.



## Professional registrations

At year-end there were 100 (2022: 100) professionally registered employees, of whom 71 (2022: 54) are black employees and 26 (2022: 16) 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 13 (2022: 10) candidates continued to gain the qualifications and experience required to register professionally, 10 (2022: six) of whom are black employees and six (2022: two) 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 group's professional registrations are set out in the table below:

## Professional registrations (excluding foreign nationals)

	Candidates					Professionals					Registered in FY2023				
	All	Female	Female (%)	Black	Black (%)	All	Female	Female (%)	Black	Black (%)	All	Female	Female (%)	Black	Black (%)
Inland	77	12	15,6	37	48,1	39	14	35,9	34	87,2	9	2	22,2	9	100,0
Coastal	23	7	30,4	19	82,6	33	8	24,2	25	75,8	1	1	100,0	1	100,0
Western Cape	9	3	33,3	7	77,8	28	4	14,3	12	42,9	3	3	100,0	—	—
<b>Total</b>	<b>109</b>	<b>22</b>	<b>20,2</b>	<b>63</b>	<b>57,8</b>	<b>100</b>	<b>26</b>	<b>26,0</b>	<b>71</b>	<b>71,0</b>	<b>13</b>	<b>6</b>	<b>46,2</b>	<b>10</b>	<b>76,9</b>

## Training spend by gender and race (excluding salary costs)

R'000	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Bursaries	586	225	103	127	376	32	49	19	<b>1 517</b>
Professional registrations	53	19	18	6	37	4	6	9	<b>152</b>
Learnerships	1 199	19	38	163	57	—	—	—	<b>1 476</b>
Apprenticeships	310	49	19	77	60	—	—	—	<b>515</b>
SETA accredited short courses	1 868	70	326	165	129	4	19	1	<b>2 582</b>
Non-CETA aligned training and seminar	763	180	65	650	52	133	20	23	<b>1 886</b>
<b>Total</b>	<b>4 779</b>	<b>562</b>	<b>569</b>	<b>1 188</b>	<b>711</b>	<b>173</b>	<b>94</b>	<b>52</b>	<b>8 128</b>
No. of course attendees	2 908	153	72	327	226	22	26	21	<b>3 755</b>



## Training and skills programmes

### Bursaries

Stefanutti Stocks provided financial assistance to selected students and employees, allowing them to further their development at recognised educational institutions. A total of 74 (2022: 58) South African students and employees benefited from the bursary scheme, 34% (2022: 34%) of whom were female employees, and 93% (2022: 82%) were black.

The group spent R1,5 million (2022: R3,1 million) on bursaries in the following disciplines:

- BSc Construction Management, Civil Engineering.
- MSc Engineering Management.
- Master of Business Administration.
- 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.

## Employees trained

	Female	Male	Total	% of total trained
African	209	2 662	<b>2 871</b>	84,4
Coloured	22	118	<b>140</b>	4,1
Indian	26	63	<b>89</b>	2,6
White	21	282	<b>303</b>	8,9
<b>Total</b>	<b>278</b>	<b>3 125</b>	<b>3 403</b>	<b>100,0</b>

## Training time (average hours per employee)

	Female	Male	Total
African	12,28	13,76	<b>26,04</b>
Coloured	15,49	11,82	<b>27,31</b>
Indian	14,46	14,13	<b>28,59</b>
White	21,07	15,04	<b>36,11</b>
<b>Total</b>	<b>63,30</b>	<b>54,75</b>	<b>118,05</b>

## Training spend

	FY 2023			FY 2022		
	Salaried employees	Hourly paid employees	Total	Salaried employees	Hourly paid employees	Total
Spend (R'000)	<b>4 458</b>	<b>3 670</b>	<b>8 128</b>	3 455	4 632	8 087
% split	<b>54,8</b>	<b>45,2</b>	<b>100,0</b>	42,7	57,3	100,0

	Inland	Coastal	Western Cape	Total
<b>FY 2023</b>				
Amounts per region (R'000)	<b>4 822</b>	<b>2 296</b>	<b>1 010</b>	<b>8 128</b>
% split	<b>59,3</b>	<b>28,3</b>	<b>12,4</b>	<b>100,0</b>
<b>FY 2022</b>				
Amounts per region (R'000)	4 198	1 380	2 509	8 087
% split	51,9	17,1	31,0	100,0

	FY 2023		FY 2022	
	No. of employees	Spend per employee (R)	No. of employees	Spend per employee (R)
Training per employees (including employees on limited duration contract)	<b>3 403</b>	<b>2 388</b>	3 965	2 040
	No. of disabled employees trained	Training on disabled employees (R)	No. of disabled employees trained	Training on disabled employees (R)
Disabled employees	<b>3</b>	<b>95 000</b>	5	24 660

## Apprenticeships

The group spent R0,5 million (2022: R0,3 million) on apprenticeships. Of the total of 18 (2022: 15) apprentices, 17 are black and two are female.

## Learnership programmes

The group spent a total of R1,4 million (2022: R0,2 million) on learnerships.

Learnership opportunities were offered in the following fields:

- NQF 3 Construction Health and Safety.
- NQF 4 National Certificate in Supervision of Civil Engineering Processes.
- 5 National Diploma in Management of Civil Engineering Processes.
- NQF 5 Generic Management — Strategic Management.

## Health and safety training

The group places significant focus on health and safety training and has trained its employees and local community members 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.
- Occupational Health and Safety (OHS) Act and Regulations.
- Working at Heights.
- Incident Investigation.

The group spent a total of R0,9 million (2022: R1,25 million) on health and safety training for a total of 1 050 employees and local community members of whom 964 (2022: 1 011) were from designated groups and 92 were female.

## Stefanutti Stocks Academy

During the year under review, 221 (2022: 219) operators were trained at the Academy, 112 of whom were from designated groups (2022: 219) and two (2022: 13) were female. In addition, 39 (2022: 216) employees (145 interventions (2022: 459)) received training on various construction skills courses, with 39 (2022: 213) from designated groups, of whom 18 (2022: 18) 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 (ADT), 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 (Personal protective equipment (PPE), Hand Tools, Safety Awareness and Environmental), Basic Concrete and Basic Formwork. In addition, the group trained 20 individuals through community upliftment initiatives, all of whom were from designated groups and 11 were female.



## Transformed and diverse organisation

### Introduction

The group and its operations is committed to the principles and implementation of B-BBEE. The group supports the B-BBEE Act and the Codes of Good Practice for B-BBEE in South Africa, as an effective means of addressing economic and social inequality in the country.

The Revised Construction Sector Codes were promulgated on 1 December 2017. The group's current scorecard, dated August 2022, is based on the Revised Construction Codes of Good Practice. Stefanutti Stocks maintained its Level 1 Contributor status, with black ownership calculated at 72,76% increasing from the previous year's ownership of 64,28%.

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 2022

The group's latest B-BBEE certificate is on page 56. 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 2022 verification, the group's black ownership increased from 64,28% to 72,26% and its black woman ownership increased from zero to 2,73%. Compliance with regard to this element of the scorecard proportionally improved from 78,40% to 81,34%.

### Management control

42,86% of the company's exercisable voting rights are held by black board membership, all of whom are black women. The company's compliance with this element decreased marginally from 60,30% to 56,83% in the August 2022 verification.

### Employment equity

The EE calculation for B-BBEE and EE reporting is different. The group's August 2022 EE score increased from 70,97% to 74,34%.

### Skills development

The company's skills development score increased slightly to 119,44% from 119,03% in 2022, with a small decline in training spend on black people from R39,76 million to R35,16 million.

### EE profile as at 28 February 2023

	Female				Male				Foreign					
	African	Coloured	Indian	White	Total	African	Coloured	Indian	White	Total	Female	Male	Total	Total
<b>Occupational level</b>														
Top management	—	—	—	1	<b>1</b>	1	—	—	5	<b>6</b>	—	—	—	<b>7</b>
Senior management	—	1	—	1	<b>2</b>	5	3	3	48	<b>59</b>	—	—	—	<b>61</b>
Professional	3	1	5	21	<b>30</b>	39	11	18	117	<b>185</b>	—	6	<b>6</b>	<b>221</b>
Skilled	56	20	16	37	<b>129</b>	305	38	28	93	<b>464</b>	2	9	<b>11</b>	<b>604</b>
Semi-skilled	60	7	5	17	<b>89</b>	765	8	9	4	<b>786</b>	1	14	<b>15</b>	<b>890</b>
Unskilled	143	3	—	1	<b>147</b>	758	11	3	1	<b>773</b>	—	4	<b>4</b>	<b>924</b>
<b>Grand total</b>	<b>262</b>	<b>32</b>	<b>26</b>	<b>78</b>	<b>398</b>	<b>1 873</b>	<b>71</b>	<b>61</b>	<b>268</b>	<b>2 273</b>	<b>3</b>	<b>33</b>	<b>36</b>	<b>2 707</b>

### Employees deemed as previously disadvantaged individuals (PDIs)

Racial group	2023	2022	2021
African	<b>2 161</b>	2 492	3 268
Coloured	<b>103</b>	118	142
Indian	<b>88</b>	90	94
White female*	<b>80</b>	86	104
	<b>2 432</b>	<b>2 786</b>	<b>3 608</b>
<b>Total RSA employees</b>	<b>2 707</b>	<b>3 080</b>	<b>3 956</b>
<b>Employees deemed PDIs (%)</b>	<b>89,8</b>	<b>90,5</b>	<b>91,2</b>

\* This table is governed by the Employment Equity Act.

### Remuneration for men and women per occupational level

Occupational level	2023	2022	2021
Senior management	<b>1:0,53</b>	1:0,54	1:0,67
Middle management	<b>1:0,75</b>	1:0,78	1:0,78

### Preferential procurement

The group's score for preferential procurement remained at 100%.

### Enterprise development

The company's ED score remained at 100%.

### Socio-economic development

The company maintained a score of 120% with regard to the socio-economic development (SED) element, investing over R1,8 million in SED initiatives (2022: R0,87 million).

# Case study

## Skills development

A journey from apprenticeship to permanent employee and mentor

### Opportunity knocks

Ishmael Mukwebo joined Stefanutti Stocks in 2014 as a cleaner at the artisan training centre, where he befriended several of the apprentices. When Stefanutti Stocks recruited for the apprenticeship programme in 2017, his friends encouraged him to apply. Despite not knowing much about being a mechanic, his application was successful.

Towards the end of his Phase One, he doubted his ability to complete the apprenticeship. The magnitude of new information — both practical and theoretical — was at times overwhelming. But he was committed to making the most of this opportunity and as each year went by, his capabilities and confidence grew. The stand-out memory of his time as an apprentice was the day that he qualified as a mechanic. When Ishmael became a permanent Stefanutti Stocks employee it gave him the much needed security he had wished for.

### Paying it forward

He accredits a number of individuals as being a positive influence during his training, which included two qualified mechanics who were responsible for mentoring and guiding him.

Ishmael describes his learning environment as being educational and encouraging, while also tough and goal oriented. This has set the tone for his approach to mentorship and willingness to guide others.

To pass on the skills and knowledge that were shared by his mentors, Ishmael mentors two earthmoving equipment mechanic apprentices: 25-year-old Portia Makuya, who is currently busy with Phase Two, and 33-year-old Skhumbuzo Zwane, who is in Phase Three.



▲ Ishmael Mukwebo mentoring (Above)



◀ Ishmael Mukwebo (Left)



# Case study

# Skills development

If at first you don't succeed...

## Background

In 2019, Kgopotso Mogaramedi started her Stefanutti Stocks Academy apprenticeship as an Earthmoving Equipment Mechanic (EMEM) and passed her trade test on her first attempt in February 2023. The 28-year-old is also the first female EMEM apprentice to successfully qualify from the apprenticeship programme.

Kgopotso hails from Limpopo, but grew up and completed her schooling in Kagiso on the West Rand in Gauteng. She completed her N5 certificate in mechanical engineering at a college in Krugersdorp, and after several failed applications for learnerships and apprenticeships in her field of study, she enrolled for a learnership as a machine operator for a textile fabricator in Randfontein.

In late 2018, she was unsuccessful in her first application for an apprenticeship with Stefanutti Stocks. Undeterred, she applied a second time and was successful, and in July 2019, she enrolled in the apprenticeship programme.

## Achieving life goals

Each of the four phases of the apprenticeship is split into theory, applied theory and on-site practical. For Kgopotso's practical blocks, she relocated to the IvanPlats site in Limpopo for four months, where she worked on the team maintaining and servicing the plant.

She also worked at the Stefanutti Stocks plant yard, where personal highlights included rebuilding an EH1100 rock truck from scratch, and having to remove the boom off a piling rig. She discovered that certain physical aspects of the work performed require a team effort. Kgopotso found that the key to getting the job done was to work smarter, not harder.

Kgopotso was determined to pass her trade test and pushed herself hard in her preparation. Stefanutti Stocks's commitment to the apprentice's success, allows 10 days for preparation for the test.

When the time for her test finally arrived, she found that she was well prepared and could comfortably deal with all aspects of it. While it took some perseverance to make it happen, the experience has taught her to believe in herself more, and passing was an incredibly emotional moment for her.

In terms of her future plans and goals, Kgopotso would like to build her confidence, grow her knowledge further and perhaps even complete her N6. She would like to begin working more independently, get more exposure and is also considering working abroad.



▲ Kgopotso Mogaramedi at her work bench (Top)

▲ Kgopotso Mogaramedi with Willie Potgieter (Training coordinator from Fezamax) and Phineas Rafoma (Senior training officer from Stefanutti Stocks) (Above)

# Case study

# Skills development



## Stefanutti Stocks Academy — driving skills development

The Stefanutti Stocks Academy is responsible for all training-related activities across the group's regions and oversees all internal and external training-related matters and initiatives. These include high calibre, internally developed, and CETA-accredited full qualifications, other industry qualifications such as artisan training, as well as bursaries, learnerships and apprenticeships.

### Full qualifications

In the February 2023 CETA audit, the Academy was accredited to offer two full qualifications through which successful participants will graduate with a national certificate.

Presented by Stefanutti Stocks's registered facilitators, assessors and moderators, the courses are as follows:

- National Certificate — Construction Plant Operations (25 Unit Standards); and
- General Education and Training Certificate — Construction (17 Unit Standards).

To cover the group's plant and skills training needs, the 42 accredited unit standards offered by the Academy can also be split into 42 individual short courses.

### Contract participation goals

The technical skills development opportunities offered by the Academy are imperative for all site-based employees who are required to understand construction industry safety and quality processes.

### Community training

Community training initiatives also include two mobile simulators that are used to train participants in the operation of mobile equipment for surface excavation such as excavators, ADTs, tipper trucks, bulldozers, and other surface mobile machines.

### Artisan development programmes

The Academy's Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA)-accredited apprenticeship programme includes apprenticeship training for diesel mechanics, earthmoving machinery equipment as well as automotive electricians.

There are currently 18 participants enrolled across the group, at different stages of their apprenticeships. Thirteen apprentices are based in Gauteng, two in Eswatini, one in Botswana, one in Cape Town and one in Durban. In February 2023, three apprentices passed their trade test, including the first female earthmoving equipment mechanic to qualify from the apprenticeship programme. The recently qualified apprentices will be absorbed as plant servicemen for the next 12 months.

### Bursaries

Currently, the Academy administers 49 bursary students studying towards industry-related qualifications.

Other training programmes underway include learnerships for various National Qualification Framework (NQF) disciplines and levels including NQF 3 Health & Safety, NQF 4 Construction Supervision, NQF 5 Management of Civil Engineering, and NQF 5 Strategic Management.

### Remote and in-person training

The accredited training academy is based alongside the group's head office in Protec Park, where its facilities include lecture rooms, trade training facilities and workshops. The learning curriculums for the unit standards contained in the Stefanutti Stocks Academy training prospectus include sessions for both the practical and theoretical aspects.



# Case study

# Enterprise development

## CETA training accreditation for Mega Road & Civils

### Enterprise overview

Mega Roads & Civils (Mega Roads) is a B-BBEE Level 1, 100% black owned (90% black-women-owned) contracting company. The business became part of the Stefanutti Stocks Enterprise Development Programme in 2018, having previously been a participant in the Stefanutti Stocks Contractor Development Programme (skills transfer to synergistic emerging enterprises and subcontractors) in 2016.

The latest development areas for Mega Roads included:

- The provision of branded marketing and promotional gifts.
- Rental of Construction Computer Software (CCS) licences for two employees.
- Assistance with tendering.
- Training accreditation.
- Safety training.

### Our contribution

#### Training accreditation

Mega Roads identified a potential growth area, namely the provision of road marking training to CIDB 1 and 2 graded small, medium and micro enterprises (SMMEs). Stefanutti Stocks then undertook to assist the contractor to obtain sector-specific training accreditation with CETA. Mega Roads believes the opportunity to impart their knowledge and experience within this sphere is an area of growth.

According to the Workplace Skills Development Partner (WSDP), the accreditation process could take between five to 10 months. Accreditation requires that numerous policies, processes and systems be in place, and the number of stakeholders involved add to the complexity of the process.

Stakeholders include SETA, Quality Council for Trades and Occupations (QCTO), material developers, facilitators, assessors and moderators. A QMS that details how training compliance will be managed must also be developed and submitted as part of the accreditation process.

Mega Roads currently has projects in the private and public sectors. It is anticipated that the accreditation of the road-marking specific training will further strengthen the position of Mega Roads within the road infrastructure sector.



#### Safety training

As matters of safety are always at the forefront of construction and related industries, representatives of Mega Roads attended an accredited training session called "How to develop a Health and Safety Plan and File". Stefanutti Stocks now offers its partners the opportunity to attend physical training that is not only relevant to their company, but also provides points towards their Continuing Professional Development (CPD).

# Case study

# Enterprise development

## Shodo Civils targets long-term sustainability

### Enterprise overview

Established in 2016, Shodo Civils (Pty) Ltd (Shodo Civils) is a B-BBEE Level 1, 75% black-female-owned roads, civils, and earthworks contractor. It participates in municipal and township infrastructure projects as a subcontractor to construction and property development companies.

The business recently expanded its sectors of operation to include the petrochemical industry and has earmarked the mining sector as a future growth opportunity. Shodo Civils joined the Stefanutti Stocks ED Programme during the year.

### Background

Shodo Civils previously attended the SAFCEC Diamond Academy — a knowledge-share, industry initiative for emerging contractors, where industry experts lectured on various sector topics, including presentations by Stefanutti Stocks representatives.

During the academy, Shodo Civils gained valuable insights and identified that their value proposition was unclear, which was creating missed opportunities for their business. This was a turning point and motivated Shodo Civils to redefine their strategy and position themselves in the market as a Roads, Civils and Earthworks Contractor.

Shodo Civils recent projects as a subcontractor, includes construction of a new access road for a children's home, upgrade and renewal of water pipelines, and civil maintenance works.

### Looking ahead

While the company has grown over the years in terms of experience, exposure and capability, certain areas of improvement were identified. This informed their development focus for the year, including external safety training, health and safety plan and file training, CCS licensing and training, mentoring on retention guarantees, and tender mentorship.

Shodo Civils anticipates that being an ED partner to Stefanutti Stocks will provide access to established industry best practices, operational experience and mentorship. Their long-term goals include growing their revenue and generating sufficient profits that can be reinvested into the business by either acquiring capital assets, investing in employee development or investing in interest-bearing accounts.



▲ Stefanutti Stocks and Shodo Civils team meeting (Above)

▶ Theo Moatlhodi Siluma (Co-owner of Shodo Civils) (Right)



# Case study

# Enterprise development

## Wanotha Road Signs reaping benefits of rebranding

### Enterprise overview

Trading as Wanotha Road Signs, Wanotha Services (Pty) Ltd is a B-BBEE Level 1 contracting company that is 100% black owned (90% black-women-owned). This dynamic road infrastructure company was established in 2015 as part of a strategic sustainability initiative by parent company Mega Roads & Civils, which is also an ED partner to Stefanutti Stocks. Wanotha Road Signs has been part of the Stefanutti Stocks ED programme for two years.

Wanotha Road Signs offers clients across South Africa the design, manufacture, supply and installation of road and traffic signs, road marking and accessories. It also offers services that complement its core business, including traffic management, custom signage design, digital sign printing, vehicle branding services and licence plate solutions.



### Our contribution

During consultations on the ED areas required for the year under review, the Wanotha team raised their concerns that its existing corporate identity was being misinterpreted. Specifically, the company was sometimes wrongly perceived as a driving school rather than a road infrastructure business. It was then determined that the company's focus for the year would be on safety, marketing, rebranding and HR.

The rebranding project included:

- A new logo and stationery (including letterhead and printed business cards);
- A brand manual;
- Application of the new corporate identity to the company profile and catalogue;
- Printing of the profile and catalogue; and
- Redeveloping the company website.

### Outcomes and outlook

A new corporate identity was developed, which improved their image as a formidable business. Likewise, their new website is consistent with their new image, delivering a clean, user friendly and clear depiction of what the business has to offer.

While Wanotha Road Signs is not yet operating at capacity, having endured the difficult years during and post COVID, the company aims to continue growing and entering new markets, as opportunities arise.

Their partnership with Stefanutti Stocks has helped to equip their business with the skills needed to grow and enter new markets. The company greatly appreciates the continued assistance and support given by Stefanutti Stocks, which helps them to overcome business-related challenges by offering direction and financial advice.

The ED relationship between Stefanutti Stocks and Wanotha Road Signs will continue into the next financial year, with the objective of further strengthening the contractor's ability to position itself as a professional entity across all provinces of South Africa and possibly cross-border.



# Case study

## Socio-economic development

### Supporting affordable menstrual health

Stefanutti Stocks partnered with The Umtshayelo Foundation (TUF) to support their social enterprise known as Komani. The foundation was established in 2013 and given the name Umtshayelo from the Xhosa word for “broom”, which also inspired the TUF slogan of “sweeping suffering away”.

Komani is TUF’s social enterprise and focuses on providing young, school-going women with a sustainable, hygienic and environmentally-friendly menstrual product solution. A 2014 report by the United Nations Educational, Scientific and Cultural Organization (UNESCO) indicates that many school-going girls in under-resourced communities skip classes during their menstrual cycle, often due to a lack of access to sanitary products. TUF’s solution provides reusable pads and an educational talk, pragmatically delivered by one of its members.

Stefanutti Stocks funded two Komani initiatives, both in the Western Cape at schools near to the Cape Flatlands Waste Water Treatment Plant in Muizenberg. The first event took place at the Eersterivier Secondary School and included the handover of 600 Komani reusable pads. The second event took place at Zeekoevlei Secondary School in Lotus River and a further 600 reusable sanitary packs were distributed. Each pack comprises three different sizes of washable pads and a little purse. The Komani pads last for about three years, which, considering the dire conditions in some of the communities, is a most welcome initiative that Stefanutti Stocks is proud to be part of.



▲ Stefanutti Stocks’s Gabriella Hanna with one of the students showing Komani reusable products (Above)

◀ Zeekoevlei Secondary School (Left)

# Case study

## Socio-economic development

### School's sports facility receives an upgrade

#### Overview

Nokuphila School is an independent township school that caters for children from families whose household income is less than R4 000 per month. It is a donor-funded pre-primary and primary school situated on the outskirts of Thembisa and provides quality Christian education.

The school was founded by non-profit organisation, The Love Trust, and currently provides education and social care for 400 learners, from grades 000 to grade 7, with two classes in each grade. Plans to expand the school to include a high school are at an advanced stage.

#### Our involvement

Stefanutti Stocks first became involved with Nokuphila School during its construction in 2015. The group's Roads & Earthworks Discipline provided services including site clearance, bulk earthworks, roadworks, stormwater, sewerage and water pipeline installations to the new school site.

Stefanutti Stocks was once again pleased to support the school, this time with a sports facility upgrade that included the construction of a sports field and concrete foundations for a grandstand.

Stefanutti Stocks procured all the materials required for the construction of the field from local suppliers and subcontracted various stages of the project. Work included:

- A water quality test and a site survey;
- The installation of subsoil drains;
- Construction of a seating area on the western side of the field;
- Importation of 1 000m<sup>3</sup> of topsoil;
- Shaping, levelling, and rolling the field in preparation for seeding;
- The installation of tanks, pressure pump and a ring main to supply a new irrigation system;
- Construction of the grandstand foundations;
- Hydro-seeding the soil field; and
- The soil and concrete quality testing for the grandstand foundations.

The sports field, including irrigation system, seating area and grandstand foundations were completed and handed over to the school in late 2022.



- ▲ Newly constructed sports field at Nokuphila School (Above)
- ◀ Soccer practice (Left)



# Case study

## Socio-economic development

### Six years of partnering for better vision

#### Background

With significant challenges facing the South African public schooling system, an issue worth addressing is weak eyesight among scholars who have no access to optometrists or means to buy spectacles. When done in collaboration with the right partners, making a positive impact is an achievable goal.

#### Our contribution

As at year-end February 2023, Stefanutti Stocks marked six years of supporting Vision 4 Change and the good work they do for those who need it most. In line with the group's sustainability objectives, it has selected schools that serve communities living in close proximity to its construction projects.

Since its first involvement in 2017, Stefanutti Stocks has supported nine schools across four provinces. The group's contributions have facilitated the eye testing of 6 309 learners, delivering prescription spectacles to those with poor eyesight.

During the year, Stefanutti Stocks supported another Vision 4 Change initiative, this time at the Spurwing Primary School in Electric City, Cape Town. The school is located near the group's iThemba LABS contract, a multidisciplinary building and services infrastructure project for the installation and operation of a new 70MeV cyclotron unit.

From the 854 scholars at the Spurwing Primary School tested by Vision 4 Change's local optometry partner, 115 scholars were found to require glasses to correct their eyesight. The prescription glasses were handed over to the learners at an event in late 2022.



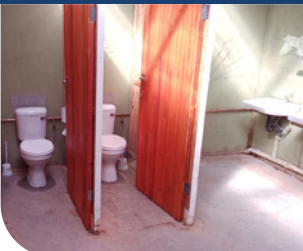


▲ Vision 4 Change recipients (Above)



► Spurwing Primary School recipients with Stefanutti Stocks community representative (Right)




# 2023 SED spend

	Category	Details of project	Location	Progressive spend (R)	Communities with limited access to services
 <p><b>Ersterivier Secondary School</b></p>	Health and Education	Sponsorship of reusable sanitary pad packs to female learners of Ersterivier Secondary School.	Cape Town, Western Cape	92 000	No
	<b>Impact</b>	Assists in preventing unnecessary absenteeism and poor performance at Ersterivier Secondary School by helping women and teenage girls fight menstrual poverty with provision of reusable and eco-friendly sanitary pads. Positive impact on school attendance rate and academic performance.	<b>Investment/spend outcome</b>	Basic needs and social development	<b>Type of investment or services</b>
 <p><b>Zeekoevlei Secondary School</b></p>	Health and Education	Sponsorship of reusable sanitary pad packs to female learners of Zeekoevlei Secondary School.	Cape Town, Western Cape	84 000	No
	<b>Impact</b>	Assists in preventing unnecessary absenteeism and poor performance at Zeekoevlei Secondary School by helping women and teenage girls fight menstrual poverty with provision of reusable and eco-friendly sanitary pads. Positive impact on school attendance rate and academic performance.	<b>Investment/spend outcome</b>	Basic needs and social development	<b>Type of investment or services</b>
 <p><b>Mokhine Secondary School</b></p>	Health and Education	Funding support to replace existing toilets, and repairing all basins and urinary ducts in the current toilet block.	Sekhukhune Burgersfort, Limpopo	241 000	Yes
	<b>Impact</b>	Providing the learners and teachers of Mokhine Secondary School with access to functional ablution and sanitary facilities, positively impacting their health and schooling environment experience.	<b>Investment/spend outcome</b>	Basic needs and social development	<b>Type of investment or services</b>

	Category	Details of project	Location	Progressive spend (R)	Communities with limited access to services
	Education	Refurbishment and renovation to crèche existing facilities, as well as the provision of a new logo and sign to be displayed at the entrance to the crèche.	Dunoon, Western Cape	10 000	No
	<b>Impact</b>	Providing an opportunity for children in the local Dunoon community to attend daycare and aftercare in a safe and hygienic environment. This positively impacts the experience of their formative developmental years by easing challenging circumstances.	<b>Investment/spend outcome</b>	Infrastructure development	<b>Type of investment or services</b>
	Category	Details of project	Location	Progressive spend (R)	Communities with limited access to services
	Education	Go for Gold sponsorships.	Cape Town, Western Cape and Johannesburg, Gauteng	24 000	No
	<b>Impact</b>	Go for Gold supports underprivileged students from education to employment within the construction industry.	<b>Investment/spend outcome</b>	Skills development	<b>Type of investment or services</b>
	Category	Details of project	Location	Progressive spend (R)	Communities with limited access to services
	Sporting Development Programmes	Establishment of new sports field.	Tembisa, Gauteng	856 000	No
	<b>Impact</b>	Providing learners of Nokuphila School with access to a multipurpose sporting field. Positively supporting the school's multi-disciplinary and holistic learning programme.	<b>Investment/spend outcome</b>	Arts, sports and culture	<b>Type of investment or services</b>
	Category	Details of project	Location	Progressive spend (R)	Communities with limited access to services
	Education	Supply of concrete to be used for foundation of new community centre build.	Paarl, Western Cape	73 000	No
	<b>Impact</b>	Positively impacting the local residents of Paarl by providing access to a multi-purpose community centre which will support educational, cultural and sporting programmes.	<b>Investment/spend outcome</b>	Infrastructure development	<b>Type of investment or services</b>

	Category	Details of project	Location	Progressive spend (R)	Communities with limited access to services
 	Health and Education	Funding for screening and testing of 854 learners at Spurwig Primary School, 115 of whom received spectacles.	Cape Town, Western Cape	227 000	No
	<b>Impact</b>	Providing an opportunity to Spurwig Primary School learners, who would otherwise not have access to visual healthcare support, to receive prescription spectacles. Positively impacting their ability to participate equally in classroom activities with their non-visually impaired peers.	<b>Investment/spend outcome</b>	Basic needs and social development	<b>Type of investment or services</b>

	Category	Details of project	Location	Progressive spend (R)	Communities with limited access to services
 <b>Hospice East Rand</b> <small>Care at home.</small>	Health and Education	Sponsorship for two learners to attend training to obtain a NQF Level 3 Occupational Certificate in Home Based Care Work.	Benoni, Gauteng	70 000	No
	<b>Impact</b>	Providing the opportunity for healthcare workers to attend training to obtain an Occupational Certificate as a Personal Care Assist (home-based carer), further increasing their knowledge in the field and employability.	<b>Investment/spend outcome</b>	Skills development	<b>Type of investment or services</b>

	Category	Details of project	Location	Progressive spend (R)	Communities with limited access to services
 <b>Charlotte Manny-Maxeke Institute</b> <small>CHARLOTTE MANNYA-MAXEKE INSTITUTE (CMMI)</small>	Education	Sponsorship towards various fundraising events to support the foundations mission.	Johannesburg, Gauteng	156 000	No
	<b>Impact</b>	Providing support to the foundation to have a greater impact on young women's lives. The initiative aims to give young girls a platform to believe in their talents and realise their dreams and to equip themselves with the confidence and skills to excel.	<b>Investment/spend outcome</b>	Skills development Arts, sports and culture	<b>Type of investment or services</b>

**R1 833 000**  
**Total spend**

**R241 000**  
**Total spend on communities with limited access to services**



# Flawless execution

## Striving for zero harm — health and safety

### Introduction

Stefanutti Stocks incorporates the safety and good health of all employees into its values and objectives. To ensure the group's long-term sustainability, the protection of all employees is always at the forefront of operations. The group's philosophy of "Excellence in Execution" means delivering exceptional quality projects, within the designated timeframes, without causing harm to employees.

Stefanutti Stocks has an advanced safety culture, through which it continually refines its processes and procedures. The aim is to consistently exceed minimum legal compliance as an industry leader in occupational health and safety best practices.

### Current key focus areas

Key health and safety focus areas for the year were as follows:

- Fostering a health and safety culture that exceeds existing best practices.
- Continuing COVID-19 awareness and practical prevention practices at the workplace.
- Legal compliance.
- Effective and proactive incident mitigation.
- Maintaining ISO 45001:2018 certification.

### Management approach

Management's approach for the year centred around accountability, demonstrating leadership's responsibility from executive level through to operational management. Driven by the Chief Executive Officer's (CEO) hands-on approach to health and safety, a refreshed LE focus was adopted. A key objective and outcome of this important initiative is interactive engagement of the workforce. While VFL is conducted by management, LE is a top management intervention conducted by directors.

LE provides the workforce with a platform to provide positive feedback or voice their concerns on health and safety at the workplace. Any high-risk conditions are immediately addressed by project management, with trend analysis on unsafe acts and conditions. Corrective and preventive actions are implemented across all projects and feedback is given to employees.

### Number of incidents per severity

	2023	2022	2021
Fatality	—	—	1
Lost-time injury	3	2	2
Restricted work cases	5	7	3
Medical treatment cases	17	16	19
First aid cases	58	43	59
<b>Total incidents</b>	<b>83</b>	<b>68</b>	<b>84</b>

### Performance for the year

Three lost time injuries (LTI) were recorded (2022: two). The group's lost time injury frequency rate (LTIFR) was 0,05 (2022: 0,03). These LTIs occurred in the second half of the year, after numerous new projects commenced.

Task accident investigation teams have been formed and members include industry experts. Direction from management ensures that preventive actions are enforced. To curb the LTI trend, group-wide "stand downs" are conducted, whereby employees down tools for one hour while production is halted. During this time, employees gather at meeting areas and management relays the incident details, root causes and preventive measures to be implemented on all projects.

Awareness campaigns are launched to highlight specific lessons learnt from incidents and reiterate the preventive measures discussed during the stand downs. New campaigns are initiated quarterly and run for a one-year period after an incident occurs. Management conducts ongoing assessments to ensure the effectiveness of preventive actions.

Management uses near hit trend analysis as an incident prevention technique. One of the top five risks and a trending hazard was overhead powerlines with the risk of electrocution. Near hits on this risk had been reported and required immediate action. Management reviewed all risk assessments relevant to working in close proximity to overhead powerlines. After the review, procedures were amended, communicated and a "Look Up" awareness campaign was successfully initiated to reinforce the message. As a result, no further incidents were reported on overhead powerlines for the remainder of the year under review.

The group maintains its ISO 45001:2018 certification through an accredited international service provider. The Safety Management System has been aligned to take a group-wide, holistic approach to health and safety matters. To this end, Stefanutti Stocks has been developing health, safety and environmental modules in its in-house S@S software.

The ongoing development of S@S is reducing administration and minimising paper usage. Developments for the year, included streamlining of incident investigation with a focus on root cause analysis, preventing repeat occurrences and corrective actions. Lessons Learnt are shared on S@S once incidents have been investigated. The platform allows for the immediate release of information on notable incidents. These releases summarise how and why incidents occur, corrective actions implemented and how to avoid repeats in future. Lessons learnt are shared with management across all the group's projects and relayed to employees via toolbox talks.

## Flawless execution continued

The electronic Risk Assessment module was completed during the year, greatly reducing the use of paper needed to document this process. Designated teams can now compile their risk assessments electronically.

There were no fatalities in the current and previous year.

During the first half of the year, S@S developments commenced, based on the trend analysis of leading and lagging indicators.

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 the following:

- Fatality rolling 12-month totals and frequency rate (FFR) benchmark: 0,00 actual: 0,00.

- LTI 12-month totals and LTIFR benchmark: 0,10 actual: 0,05.
- Recordable case 12-month totals and frequency rate (RCR) benchmark: 0,30 actual: 0,44.

Management's continued commitment to frequent LE sessions resulted in a significant improvement in employee morale. As a result, minor incidents due to behavioural based safety challenges have been notably reduced. VFL and safety observations were major contributors to the reductions.

Communication is key to the flow between management and the rest of the workforce, as shown in the improved safety procedure performance. Management closely monitors and enhances the effectiveness of preventive and corrective measures that have been implemented.

## Total supervised man-hours — 12-month rolling (MHW)

	2023	2022	2021
Hours include contractor services without mandatory agreements (OHS Act 37.2)	<b>11 152 474</b>	13 013 276	14 576 675

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

	2023	2022	2021
Fatality frequency rate	—	—	0,01
Lost-time injury frequency rate	<b>0,05</b>	0,03	0,03
Recordable case rate	<b>0,44</b>	0,28	0,35

## Proactive incident management

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

Injury/incident analysis per hazard

Biological agent	Moving vehicles	Manual handling/manual labour
Excavations/earthworks	Falling objects	

## Group health performance

	2023	2022	2021
Total entry medicals	<b>952</b>	454	487
Annual surveillance	<b>745</b>	2 172	1 192
Noise-induced hearing loss (NIHL) identified	<b>21</b> <b>1 case submitted</b>	157	48
Tuberculosis questionnaires completed	<b>1 312</b> <b>20 referred</b>	1 359 nil referred	1 592 nil referred
Obese (%)	<b>18,7</b>	36	26
Smokers	<b>174</b>	232	424
Multi-drug testing conducted (excludes employees tested by client)	<b>1 319</b>	1 109	1 287

## Health and safety achievements

### Milestones

Region	Discipline	Milestone
<b>Corporate Services</b>	Corporate Services	789 300 LTI-free hours
<b>Inland Region</b>	Building	3 802 974 LTI-free hours
	Civils	10 553 040 LTI-free hours
	Geotechnical	5 years LTI-free
	Mining Services	7 518 024 LTI-free hours
	Roads, Earthworks & Pipelines	11 873 195 LTI-free hours
	Mechanical	240 437 LTI-free hours
	Electrical	1 114 392 LTI-free hours
	Oil and Gas	3 750 906 LTI-free hours
<b>Coastal Region</b>	Building and Civils	10 990 110 LTI-free hours
<b>Western Cape Region</b>	Building and Civils	78 413 LTI-free hours
<b>Africa Region</b>	Botswana	6 499 897 LTI-free hours
	Eswatini	1 011 409 LTI-free hours
	Zambia	8 875 131 LTI-free hours

## Monitoring and measurement

The group enhances its focus on leading indicators and the mitigation of incidents and accidents through various forms of auditing. This includes legal compliance auditing, operational gap auditing and systemic auditing in accordance with the ISO 45001:2018 international standard.

Audits are key to assuring legal compliance and implementing preventive measures. Audit outcomes and non-conformance trends are analysed and reported monthly to all levels of management. The effective S@S system allows safety management to “close the loop” whenever corrective or preventive action is required.

The company monitors employee wellness and assists by drawing trends to improve their overall health.

## Health and safety awareness

Stefanutti Stocks promotes awareness to enhance its safety culture. The group believes that being “forewarned” and proactive helps to prevent injury, ill health and occupational disease.

During the year, a health awareness campaign called “Hear Today, Gone Tomorrow” addressed NIHL with the aim of preventing cases of hearing loss.

It is difficult to determine cases of NIHL during a year, as hearing loss occurs over a period of time and is measured against employees’ baseline medical assessments.

Occupational health surveys are conducted to inform the company and enable the demarcation of noise zones to prevent exposure to noise levels exceeding 85 decibels.

NIHL can occur at work and at home, which makes it a challenge to monitor. The company addresses this by promoting “hearing at home” awareness.

Employees have baseline medicals prior to employment or placement on any new project. The group uses current and future trends of hearing loss cases to monitor and mitigate this risk within the business.

“Silly Season” campaigns run each year from October through December, covering leading indicators derived from audit trend analysis, incident investigation, root cause trend analysis, site safety observations (SSO), VFL and near hit trend analysis. These campaigns are well received by employees and provide valuable feedback. The campaign during the year was “Keep Your Head in the Game” which focused on risk perception, risk identification, and maintaining focus while performing a task.

## Medical surveillance

Another S@S development for the year saw the booking and monitoring of employee medical assessments. As with ergonomic evaluation, which are conducted in line with the Ergonomic Regulations, strength testing has been identified as a priority.

Working in the construction industry requires significant manual handling and lifting in particular. As a result, it is important to measure an employee’s capacity to lift, and this has been added to the company’s pre-employment medical, with appropriate weights set for different job descriptions.

This helps to ensure correct job placements for individuals and avoids disabling injuries including back and vertebrae damage resulting from lifting weights incorrectly or beyond an employee’s strength capacity range.

The S@S system informs employees tasked with booking examinations regarding which employees are due for annual medical fitness examinations, as well as those employees who are due for their periodic evaluation in terms of the man-job specification. In addition, employee exposure is determined by ergonomic and health risk assessments that are conducted for each job category.

### Future key focus areas

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

- Aim for zero fatalities.
- Aim for zero LTI.
- Achieve RCR of 0,30.
- Effective safety, health and environmental (SHE) interventions.
- ISO 45001:2018 Recertification with review and advancement of the existing safety management system.

## Environmental stewardship — zero environmental harm

### Introduction

Stefanutti Stocks takes an eco-friendly approach across all of its operations, while being dependent on the use of both non-renewable and renewable resources. The group appreciates that perceptions of the construction industry often include a negative impact on the environment and endeavours to prevent further harm.

The group continually monitors six key areas that are most significant to operations, namely carbon emissions, energy, materials, waste, water, and credible information. With "Green Construction" and "Zero Environmental Harm" being held in the highest regard during all phases of construction, Stefanutti Stocks is focused on reducing its impact through risk mitigation and rehabilitation. The group prides itself on leaving the environment either exactly as it was unearthed, or in an enriched condition.

### Current key focus areas

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

- **Legal compliance:** enhanced legal compliance tools, through the improvement of internal legal compliance audits. This was achieved by using the services of an external team of environmental specialists and raising awareness on projects around pertinent environmental legislation.
- **Carbon Tax compliance:** keeping abreast of industry-relevant reporting requirements, and ensuring transparency, accurate and verified data, to ensure conformance with the guidelines.
- **ISO 14001 certification:** Stefanutti Stocks maintained its group certification for ISO 14001:2015 management system with a successful surveillance audit in 2022.
- **Enhancing a green (environmentally-friendly) culture on all projects** through research and external specialists' input with "greener building initiatives" and green construction expertise.
- **Augmented methods of monitoring:** the introduction of automated tally sheets for the collection of all data, for each project.

### Management approach

The group Environmental Forum is a progressive platform that allows the Environmental Team to share ideas on how to solve challenges across projects and various regions. The forum has proved to be successful in highlighting the effectiveness of new S@S developments. Objectives and targets are discussed and new objectives are put forward for consideration.

The forum includes members of the EXCO, in support of EMS. One of the key aspects that EXCO tasked the forum with is ensuring compliance with the relevant environmental legislation.

Key themes of the forum include compliance with legislation and environmental preservation. Stefanutti Stocks is committed to protecting the environment through ethical environmental practices. This is achieved by applying life cycle thinking in each phase of construction, strictly adhering to the "cradle to grave" principle.

The following criteria are requirements:

- Considering the use of materials, products and methodologies that enhance sustainability, whenever practicable.
- Continual improvement in the EMS fulfilling client environmental specification, requirements and ongoing certification of the EMS in accordance with the ISO 14001 standard;
- Positive contributions by offsetting any negative impacts of operations on natural resources, biodiversity, and communities;
- Continuing the drive for environmental stewardship among all employees; and
- Participating in forums that promote and advocate for a greener construction industry, such as the Green Building Council South Africa (GBCSA).

## Performance

### EMS

The group has ISO 14001:2015 certification with an accredited international service provider. All the regions of the group are included within one certification, assuring environmental standards across the regions.

### Supplier evaluation

One of the challenges often faced within the construction industry is sourcing suppliers and contractors with the same environmental approach as the principal contractor. Being the principal contractor on most of its projects, Stefanutti Stocks has a stringent supplier evaluation process before the inception of any project.

Partnering with SMMEs can be a challenge, as small enterprises differ from large service providers in that they are often sourced from the local community. Local sourcing provides employment and business opportunities in the communities around the group's projects. However, small enterprises are not equipped to take on environmentally conservative practices.

Stefanutti Stocks takes the approach of training, coaching, mentoring and creating awareness from the outset. Negative impacts of SMMEs include ground pollution due to incorrect waste disposal methods, which requires intervention before and during projects.

Specifically designed environmental inductions ensure that SMMEs follow environmentally acceptable construction methods. Business owners and employees are inducted and training is ongoing to ensure they can perform to expectations. Contractors work according to the Stefanutti Stocks EMS, with a "green file" being compiled for each. Contractor audits and inspections monitor their performance according to requirements. SMMEs receive mentoring and assistance to ensure their practices improve going forward.

During the year under review, two prospective suppliers were vetted in accordance with their EMS, conformance with the ISO 14001 environmental management standard, operations and the environmental responsibility demonstrated by their suppliers.

Environmental risk assessments ensure that risk ratings are appropriate. Significant findings included negative impacts on communities, environmental degradation due to blasting activities, noise generation and pollution of resources. With informed decisions being made on which control measures to implement, the potential for negative environmental impacts on the project are reduced extensively. With similar activities being conducted by certain suppliers, comparisons could be made. After significant potential impacts were identified, suitable vendors were approved. Existing supplier and contractor evaluations are conducted through the year.

Measures are in place to ensure that suppliers meet the necessary legislative requirements. Suppliers of all forms of aggregate are included in the stringent selection process. When SMMEs are required for the provision of aggregate, they are given assistance to obtain the necessary permits and licences. Contract terms require SMMEs to have responsible environmental and business practices in place. This helps to build sustainable businesses and uplifts local SMMEs in their surrounding communities.

Vehicle inspection and maintenance is a requirement for the group's larger service providers as well as SMMEs. Vehicles that pose an environmental risk due to lack of maintenance are not permitted on Stefanutti Stocks projects. While the environmental impact may not seem significant, approximately 20% of SMME contracts have been terminated in the last financial year due to vehicle maintenance issues. No contracts have been terminated with large suppliers, as the likelihood of significant impacts on the environment due to their operations has been mitigated to a tolerable level of risk.

## Physical environment

Various factors must be taken into consideration when undertaking construction work where environmental preservation is a fundamental requirement.

It is imperative to avoid air, water and soil pollution and this sets the tone for construction activities. Preserving these resources is made possible through close management, training, and creating awareness.

Biodiversity conservation is crucial to the survival of human beings, plants and animals. Being a responsible or "green construction" operator means ensuring the survival of various species both during and after construction.

The group has a detailed Environmental Management Plan (EMP), which sets out the prescribed and legal requirements. The EMP is drafted in accordance with an Environmental Impact Assessment, which is the process of identifying, predicting, evaluating and mitigating the negative effects of a project on the environment.

Protecting the delicate balance of ecosystems for the duration of a project is critical. On all projects, particular attention is given to protecting red listed species, which are fauna or flora close to extinction. Rehabilitation plans ensure that the environment is restored to its original condition, as far as reasonably practicable.

## Data collection and verification

The environmental module on S@S is a progressive system of data collection and a powerful tool for the reporting, communication, notification, and measuring of data. Central collation enables monitoring at project level, as well as at discipline, regional and group level. Trends are analysed, and interventions are directed to mitigate specific risks.

The Environmental department can detect changes in data usage and monitor irregularities. Legal documents such as permits and licences are uploaded for each project. The system enables the monitoring of water usage to align with allowances stipulated on a water use licence.

S@S software hosts a platform to verify monthly environmental data that is captured and supported by project-specific documentation. If any discrepancies arise, the accuracy of captured information can be determined and communicated.

Monthly environmental reports are submitted at discipline, regional and EXCO level to ensure the flow of communication and transfer of knowledge on environmental matters. These reports support the process of management review, which is a standard requirement of ISO 14001.

Management review provides a forum whereby management evaluates the EMS and can raise queries, evaluate data and discuss advancements in the EMS throughout the year. A complete picture of environmental performance is captured, to provide a reliable overview on the effectiveness and maintenance of the EMS.

## External assurance

Stefanutti Stocks obtained its ISO 14001:2015 certification in 2013 and has retained the certification for the year under review after annual surveillance audits. Recertification audits are conducted over a three-year cycle.

International certification provides external assurance that the EMS is effective and being maintained. Audits are standard for certification and support the continual improvement and maintenance of the EMS on all projects.

The quality of environmental analysis is determined by the effectiveness of the EMS. Data verification is imperative for accurate information, as inaccurate data may lead to financial losses, or unacceptable risks to the environment.

## Flawless execution continued

External assurance helps to identify any gaps in the EMS and mitigation measures can be implemented to address environmental risk.

### Environmental awareness

Stefanutti Stocks instils a “green” culture at all its projects. Five years ago, the company began its “Green Wednesday” awareness campaigns and these have become an important part of environmental preservation. In the year under review, the focus was on legal compliance on projects, waste management, water management, general conservation and understanding biodiversity.

The group launched an initiative to inform employees as to why certain species require protection and their role in achieving these goals, with the understanding that all life is important to ecosystems and food chains.

Factoring in the group’s cultural diversity and local traditions, it can be a challenge to conserve certain species. Environmental awareness campaigns help to dispel misconceptions and myths surrounding species considered by some as dangerous. To this end, the group’s anti-venom campaigns, the appointment of snake handlers and an emergency preparedness plan which focuses on snake bites, help to inform and achieve a wider green consciousness.

### Environmental costs

Identify waste disposal, emissions treatment, and remediation costs based on expenditures which include, as a minimum:

	2023 Expenditure R'000	2022 Expenditure R'000	Explanation
Treatment and disposal of waste	7 045	5 587	General, construction and hazardous waste disposal, portable toilet servicing through accredited service provider
External certification of management systems	46	52	ISO 14001 certification fees
Other environmental management costs	529	101	Membership fees
<b>Total</b>	<b>7 620</b>	<b>5 740</b>	

### Biodiversity management — red list species identified



Project name	Town	Region	Red list species
Manzini Interchange	Manzini	Africa – Eswatini	Fever Tree 2022 (Acacia xanthophloea) Wild Date Palm 2022 (Phoenix reclinata)

### 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>
Cape Flats	Managed	Western Cape	Contained	Production	1,50
Salta Estate Development	Leased	Coastal	Contained	Production	2,00

### Carbon emissions

	FY2023 (tCO <sub>2</sub> e)	FY2022 (tCO <sub>2</sub> e)	FY2021 (tCO <sub>2</sub> e)	Emission factors
<b>Scope 1</b>	<b>45 996</b>	50 171	44 211	Diesel — 2,67kg CO <sub>2</sub> e Oil — 2,97kg CO <sub>2</sub> e Petrol — 2,30kg CO <sub>2</sub> e LPG — 2 715,83kg CO <sub>2</sub> e
<b>Scope 2</b>	<b>2 769</b>	12 762	1 959	1,027 tonne CO <sub>2</sub> e per mWh
<b>Gross</b>	<b>48 765</b>	62 933	46 170	



## Water 2023

Region	Municipal (kℓ)	Ground (kℓ)	Surface (kℓ)	Recycled (kℓ)
Inland	7 806	1 082	22 619	44 235
Coastal	9 908	13	7 416	1 349
Western Cape	3 059	1	—	—
Africa	21 241	6 278	33 633	—
<b>Total</b>	<b>42 014</b>	<b>7 374</b>	<b>63 668</b>	<b>45 584</b>

## Water 2022

Region	Municipal (kℓ)	Ground (kℓ)	Surface (kℓ)	Recycled (kℓ)
Inland	53 452	13 471	16 336	100 663
Coastal	9 825	—	3 075	—
Western Cape	1 780	94	—	—
Africa	25 831	10 635	58 452	32
<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
Centane to Qholorha Phase 2B	Gxara	Eastern Cape

A significant amount of water is drawn from the river in the town of Gxara for construction. It does not negatively impact the river due to the heavy rainfall in the area.

## Electricity

Region	Electricity (kWh)	
	2023	2022
Inland	780 224	1 117 826
Coastal	602 752	569 971
Western Cape	637 601	126 628
Africa	1 256 806	704 673
<b>Total</b>	<b>3 277 383</b>	<b>2 519 098</b>

kWh — kilowatt hour.

## Waste

Region	Waste type			
	2023		2022	
	Hazardous (tonnes)	General (tonnes)	Hazardous (tonnes)	General (tonnes)
Inland	2 116	8 357	8 641	2 916
Coastal	2 564	5 519	2 020	33 910
Western Cape	501	10 837	167	6 187
Africa	800	47 492	2 165	258 213
<b>Total</b>	<b>5 981</b>	<b>72 205</b>	<b>12 993</b>	<b>301 226</b>

## Energy 2023

Region	Electricity (GJ)	Diesel (GJ)	Petrol (GJ)	Oil (GJ)	LPG (GJ)	Total
Inland	2 808	131 431	323	1 136	136	<b>135 834</b>
Coastal	2 169	37 390	570	—	—	<b>40 129</b>
Western Cape	2 295	1 235	38	27	—	<b>3 595</b>
Africa	4 524	201 290	1 945	888	20	<b>208 667</b>
<b>Total</b>	<b>11 796</b>	<b>371 346</b>	<b>2 876</b>	<b>2 051</b>	<b>156</b>	<b>388 225</b>

## Energy 2022

Region	Electricity (GJ)	Diesel (GJ)	Petrol (GJ)	Oil (GJ)	LPG (GJ)	Total
Inland	40 024	256 121	1 561	1 826	5	<b>299 537</b>
Coastal	3 951	9 741	543	119	119	<b>14 473</b>
Western Cape	456	3 177	30	—	3	<b>3 666</b>
Africa	2 537	102 893	1 297	550	185	<b>107 462</b>
<b>Total</b>	<b>46 968</b>	<b>371 932</b>	<b>3 431</b>	<b>2 495</b>	<b>312</b>	<b>425 138</b>

GJ — Gigajoules

## Energy

Stefanutti Stocks reports on energy use from both renewable and non-renewable sources. Usage is accurately measured, monitored and reported on a monthly basis, as set out above. Although heating and cooling energy is consumed in the form of air conditioning, this is not measured separately from energy generated by electricity. No electricity, heating, cooling or steam energy is sold by the group.

## Carbon footprint

The group is required to report on its Scope 1 and Scope 2 emissions. Stefanutti Stocks 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 values are directly impacted by operating variables. This includes the utilisation of plant and equipment for specific contracts, which are dependent on the number and scale of operational projects. Due to the need for backup diesel and petrol generators, ongoing loadshedding has had a significant impact on carbon emissions, both at head offices and on projects.

## 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.

Stefanutti Stocks has embarked on a “greener buildings” initiative. Solar panels have been installed at the Head Office building in Gauteng, motion sensor lights have been connected and consultants have assessed the building to

provide recommendations to decrease the carbon footprint in terms of energy consumption.

The group’s electricity intensity equals the total electricity used in mWh divided by the total man-hours worked (MHW):  $3\,277/11\,152\,474 = 0,00029\text{mWh per MHW}$ .

## Energy

Energy intensity equals the total energy consumed in GJ divided by the total MHWs:  $388\,225/11\,152\,474 = 0,035\text{ GJ/ MHW}$ .

## Water

Water scarcity in South Africa continues to be a knock-on effect of global warming and climate change. With increasingly unpredictable rainfall patterns, the group’s operations are encouraged to preserve and recycle water resources.

The total water used by the group during the year was 113 056kℓ, which is calculated as total water used excluding recycled water.

The group’s water intensity for total operations is (total water used/supervised man-hours):  $113\,056/11\,152\,474 = 0,01\text{kℓ/MHW}$ .

In support of Stefanutti Stocks’s eco-conscious practices on operations, great emphasis is placed on reducing water use and preventing water pollution. By effectively engaging in responsible water use, the group has reduced overall water usage from 192 951kℓ in the previous year to 113 056kℓ.

45 584kℓ of water was recycled, which was 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.

## Waste

Waste management is a significant aspect on the group's environmental risk register. Waste management forms part of all activities, making it a priority to minimise, monitor and control any negative environmental impacts that may result.

On every project, an aspect waste management plan is compiled, the content of which is derived from the National Environmental Management Waste Act (No. 59 of 2008). The aim is to ensure that the company complies with national legislation by implementing the Act on all its sites.

The group has identified its two main streams of waste generated by its operations, as hazardous and general waste. Hazardous waste is classified in terms of legislation. The group is cognisant of its "cradle to grave" principle and ensures that waste is correctly disposed of at licensed facilities. General waste is separated at the source and is either recycled, reused or sent to landfill.

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 5 981/11 152 474 = 0,00054 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.

## Compliance with environmental laws and regulations

Stefanutti Stocks has not received any fines or non-monetary sanctions for non-compliance with environmental laws and regulations.

This includes:

- International laws and regulations.
- National, sub-national, regional and local regulations.
- Municipal by-laws.
- No voluntary environmental agreements entered into with regulating authorities have been deemed necessary.
- Zero cases have been brought against Stefanutti Stocks through the use of international dispute mechanisms, or national dispute mechanisms supervised by government authorities.
- Zero cases of non-compliance related to spills.

## Climate change and the construction sector

Stefanutti Stocks acknowledges that its business activities have an impact on climate change. With this in mind, the group prides itself on the "Green Building" status and certifications achieved on many of its projects in South Africa and sub-Saharan Africa. This is more relevant than ever, as research shows that the building and construction sector contributes approximately 40% of the global greenhouse gases (GHG) emissions due to the acquisition of building materials as well as lighting, cooling and heating of buildings and infrastructure.

Climate change has a direct impact on water availability, due to altering rainfall patterns and rising demand for water from a growing population. While water consumption remains prevalent in construction, Stefanutti Stocks has various initiatives to reduce water usage in its operations. These include raising awareness of water pollution on its projects and communities, building sanitation facilities for local communities, water saving initiatives, water safety, reuse and water recycling.

Due to climate change, water risk exposure in the sector remains a concern. Factors such as water shortages, extreme weather conditions that result in flooding, and abating environmental conditions such as acute temperature increases, jeopardise normal construction activities.

The group takes an informed approach to climate change through aspect and impact identification and mitigation, measuring and monitoring, monthly reporting, accurate data collection, implementation of remediation measures, and environmental method statements, among others.

To combat climate change, the Department of Environment, Forestry and Fisheries established a digital portal to register organisations that generate GHG. This is part of the effort to establish which organisations comply with the GHG threshold which will determine the impact on carbon tax compliance. Stefanutti Stocks has registered as a user on the portal.

The group observes international conventions such as the United Nations Climate Change Conference of the Parties (COP), the Kyoto Convention and the Paris Agreement.

With South Africa being in attendance at COP 27, and welcoming the outcomes of the convention, Stefanutti Stocks remains abreast of initiatives and global topics. Stefanutti Stocks is of the opinion that these contributions can make a difference to the world.

Stefanutti Stocks takes part in climate-related community upliftment projects. Its approach regarding climate change is to actively create awareness by sharing relevant information with the youth to combat climate change.

As noted in the environmental case studies, an emphasis is to educate on matters of climate change, as well as promoting sustainable initiatives using vegetable gardens, seeds and water sources. The group's environmentalists follow the concepts brought forward by the Global Innovation Hub and climate sciences, and apply them on a small scale in its operations.

Stefanutti Stocks believes in land use by managing biodiversity, responsible construction and preserving wetlands and sensitive marine and coastal areas. The group's operations are centred around training, awareness, coaching and mentoring of all employees. Themes include conservation, climate change, pollution prevention, safeguarding non-renewable resources and preserving oceans and marine life where applicable.

The group recognises and acknowledges local communities around its operations. Consultations are held with CLOs and a complaints register is available. The group interacts with Tribal authorities, provides development and assistance with environmental matters to guard against environmental impacts, and promotes land conservation and rehabilitation.

Market mechanisms such as emissions trading or offset have not become a requirement in the company as carbon emissions are below regulatory bodies' thresholds.

To help reduce carbon emissions, online meetings and desktop audits decrease the need for air and road travel. Where possible, employees travel together by road to reduce air travel.

Protected flora is relocated to nurseries established on projects and transplanted in suitable locations. Trees are planted in communities with the intention of increasing carbon sinks (carbon sinks include oceans, rivers, forests, or any other part of the environment such as trees and plants that have the capability of absorbing carbon dioxide from the atmosphere).

### Future key focus areas

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

- Zero significant spills.
- Carbon footprint benchmarking.
- Strategy for reduction of waste to landfill.
- Legal compliance — heightened awareness in operations.
- ISO 14001 re-certification with review and advancement of the existing safety management system.

## Quality management

Stefanutti Stocks strongly believes that proper planning prevents poor performance.

### Current key focus areas

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

- **Standardise management systems:** The group's management system was sufficiently standardised to undergo the certification process. Further improvements are required for the following year.
- **S@S sub modules:**
  - **Customer satisfaction surveys**  
The surveys are used by all regions and are tracked monthly to analyse trends.
  - **Non-conformances**  
Ensure NCRs are effectively identified, investigated, trends identified and associated costs applied.
  - **Daily diary**  
The daily diary is fully implemented via the digital platform across the group's regions.
  - **Digital QMS**  
Continuously identify and implement improvements to the digital system and ensure the platform is fully implemented and managed.
  - **LE**  
To ensure LE are enhanced via a VFL approach.
- **ISO 9001:2015 certification**  
To achieve re-certification across the group.

## Performance

An electronic QMS was developed within the group's S@S platform 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 more environmentally friendly.

Management systems and their certification have been identified as business imperatives, which have a financial implication for the group. EXCO has tasked the Quality Forum to investigate reducing the cost of running and certifying a management system. To this end, the Quality Forum has certified all regions 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 throughout the QMS via the digital platform.
- S@S sub modules: Full utilisation of all developed digital modules across regions within the group.
- ISO 9001:2015 recertification audit.

## Relationships with construction partners and supply chain

### Introduction

The group has a policy dealing with the general terms and conditions for procurement.

Supply chain relationships, as well as the group's procurement strategy are key points of focus. This guides Stefanutti Stocks's engagement with vendors at every step of a process that is robustly supported by the Vendor Management System (VMS).

Before the vendor management process begins, it is crucial to identify business goals that require vendor management. 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 assists with the stage of measuring and evaluating vendor performance as these goals establish appropriate metrics.

### VMS

VMS makes vendor information accessible throughout the group. The VMS centralises all vendor-related information in one system, gives employees access to information, and simplifies the reporting process.

Having a centralised data storage solution for managing vendor data is important for the group and it enables better resource allocation and improved efficiency.

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.

Maintaining a centralised group VMS has eased the following procurement challenges:

- Multiple contracts with the same vendor.
- Disparate transactions with multiple vendors.
- Procurement through non-approved vendors.

## Management approach

When choosing vendors, cost has been a main deciding factor, but Stefanutti Stocks is increasingly looking at other criteria to determine which vendors can better serve the company, as the lowest cost does not guarantee the greatest value.

Other criteria that are considered when selecting vendors include: 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 helps to form a holistic assessment of the group's vendors.

### Key focus areas

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

- Continuous updating of the database of all relevant vendors and vendor-related information.
- Streamlining information — by providing a single source of vendor information.
- Develop key performance indicators (KPI) to measure vendor performance.



# Case study Environmental

## Stefanutti Stocks empowering “green” SMMEs

### Overview

In October 2021, Stefanutti Stocks Western Cape was awarded the CPT060 High Voltage contract for an international client. Part of the project Community Participation Goals (CPG) included the requirement for the employment of local subcontractors for the following trades:

- Brickwork;
- Plaster work;
- Paint work; and
- Waste services.

In March 2022, the group embarked on an upliftment project with a micro enterprise and responsible waste management, in line with its “cradle to grave” principle. Following consultation with the CLO, Stefanutti Stocks elected to use Footprint Waste Management Services (FWMS) as its waste service provider on the project.

### Challenges overcome

According to legislation, all waste service providers must be accredited with the City of Cape Town (CoCT) and comply with the City’s Integrated Waste Management by-laws. This ensures that waste management service providers and their activities are regulated. The aim is to reduce potential risks and impacts on health, safety and the environment, while also ensuring waste management services are legally compliant.

Achieving the required CoCT accreditation for FWMS proved to be a challenge, as the service provider was not registered with the Department of Labour. To remedy the situation, all the pre-requisites had to be fulfilled, and to achieve this, Stefanutti Stocks’s environmental officer on the project provided much-needed support and direction. Actions taken included completing the waste application forms, sourcing all the necessary related paperwork, and providing advice and guidance to acquire the service provider’s Letter of Good Standing.

With the help of the Stefanutti Stocks team, FWMS was successful in its application and received its temporary accreditation certificate and became respectfully proficient to service the projects.

### Positive outcomes

Having secured its accreditation, FWMS now provides services across projects for the Stefanutti Stocks Western Cape Region, whose regional environmental objectives have been achieved with the help of FWMS. Objectives included the reduction of waste volumes to be disposed of at registered landfill sites, and were achieved via recycling initiatives to deliver significant reductions at various projects.

The vital assistance provided to FWMS by Stefanutti Stocks has served the group well and enabled both businesses to reap the benefits together.



▲ Footprint Waste Management Services employees (Top)

▲ Recycling containers (Above)



# Case study

# Environmental

## The “Green Wednesday” initiative

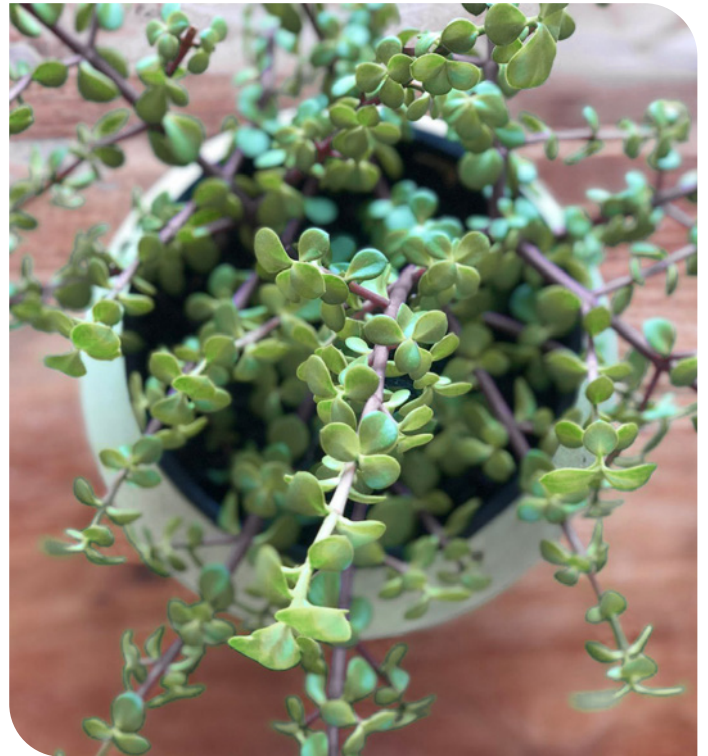
Stefanutti Stocks’s bi-monthly “Green Wednesday” campaigns have been successfully running for several years. The aim is to increase awareness around environmental sustainability best practices. In recent years, the initiative has grown in popularity among the group’s employees, having initially taken time to gain traction.

To keep the momentum going, a focus was placed on one of South Africa’s most versatile indigenous plants, namely the *Portulacaria afra*, commonly known as Spekboom or Olifantskos. Ahead of its environmental campaign planned for 2023, Stefanutti Stocks began an informative campaign to create awareness around this impressive plant species.

The initiative communicated the many benefits of the plant, including its role in the fight against climate change and air pollution due to its effectiveness in carbon sequestration, which is the binding of atmospheric carbon responsible for climate change.

This proudly South African plant is easy to grow, requires minimal water and is very robust. Spekboom can live up to 200 years and has a multitude of medicinal and nutritional uses.

Following on from creating awareness, Spekboom plants were distributed for planting in gardens and potting in offices.



▲ Spekboom office pot (Above)

► Spekboom flourishes in arid terrain (Right)

◄ Spekboom in local gardens (Left)



# Case study Environmental



## Leaving green footprints in construction

Stefanutti Stocks endeavours to address the challenges posed by diverse and changing environmental conditions and socio-economic circumstances, which can be impacted by the construction industry. The group undertakes to manage projects in an eco-friendly fashion, with particular focus on genetic, species and ecosystem biodiversity conservation.

Biodiversity is indispensable to food security, sustainable development and the supply of many vital ecosystem services. Biodiversity makes production systems and livelihoods more resilient to shocks and stresses caused by the construction sector, notwithstanding the effects of climate change.

### The Manzini Interchange project

Operating under the Africa Region, Stefanutti Stocks Eswatini completed the Manzini Interchange, a national project, in October 2022. The aim of the project was to improve the MR3 Road and connect the newly established MR3 Highway from Mbadlane to Manzini (Lot 1), with the bypass to Matsapha-Mbabane Highway and Manzini Traffic Circle located at Manzini Club. Records show that the MR3 Highway is one of the busiest highways in the Kingdom linking the Mozambique Border post to the South African Ngwenya Border post.

A qualified Environmental Control Officer was appointed to the project on a full-time basis. This was to ensure legal compliance and conformance to the Environmental and Social Impact Assessment (ESIA) and the Environmental and Social Management Plan (ESMP), including all permit requirements and operational activities across the project.

In terms of licensing and permits, the group's scope of work is required to align with local legislation and regulations, including: waste management licences (for both general and special waste), borrow pit permit, spoil pit permits, mining licences, water extraction permit and waste disposal licence. These were all obtained by the group and are strictly adhered to.

To preserve the local biodiversity, relocating protected species was a priority. To achieve this, Stefanutti Stocks engaged an experienced environmentalist to assist with the removal of marked species on the project. In addition, consultations with horticulturists and the Gardens and Parks Superintendent resulted in a park in Fairview being allocated as an optimal area for the species to be relocated and planted. The trees' health was monitored for the duration of the project and the relocation was successful.

Stefanutti Stocks is on track to make further progress, mitigating environmental impacts via the Environmental Management System programmes and construction methods of the Manzini Interchange set. While these impacts were not due to construction activities, the implementation of controls presented various opportunities to improve the community's standard of living. The initiatives were designed to be sustainable long after the Manzini Interchange was complete and served a dual purpose of community upliftment and environmental preservation.

### Marked species

Common name	Siswati name	Scientific name	Plant type
Wild date palm	Lisundvu	Phoenix Reclinata	✓ Protected
Fever tree	Mkhanya Kudze	Acacia Xanthoploea	✓ Protected



▲ The Manzini Interchange on the MR3 Highway (Top left)

◀ Fever tree (Left)

▼ Fever tree successfully relocated (Below left)

▼ Wild date palm flourishing after relocation (Below right)





## Creating safe, potable drinking water for human consumption

The Mzimnene river traverses the city of Manzini. Research steered by the University of Eswatini (previously known as the University of Swaziland), reported that the river water's bacterial count was higher than what is permissible for potable water and must first be boiled before drinking. Contributing factors to river's pollution came directly from the city and outlying settlements, due in part to the use of pit latrines within the informal settlements. In addition, the nearby landfill site and waste treatment plant raised concerns of further contamination.

For the local community of Mangwaneni, relying on the Mzimnene river as a water resource, the situation was dire and posed a significant challenge. Stefanutti Stocks delivered a solution to the problem by constructing ablation facilities for the community to use, thereby minimising the contamination of the Mzimnene river.

Stefanutti Stocks provides an all-inclusive contribution by concentrating on training and awareness campaigns, educating and informing residents to prevent future pollution and maintain safe drinking water.

## The "Keep Manzini Clean" project

In the spirit of "Earth Day", an environmental calendar event observed worldwide, Stefanutti Stocks launched the "Keep Manzini Clean" project in partnership with the Municipal Council of Manzini and Yibutse Green Action. The project focused on the prominent bus routes, with the Manzini Bus Rank, Mangwaneni and City Centre Routes being the main contributors of litter and pollution in the area. Employees of the Stefanutti Stocks Manzini Interchange project and Stefanutti Stocks Head Office, along with the general community, initiated efforts to clear the waste and litter from these routes.

Awareness campaigns were run simultaneously, with the focus on preventing pollution caused by litter and general waste.

Stefanutti Stocks contributed towards the procurement of 40 litter bins which were distributed around schools in Manzini. To deliver on its corporate social responsibility, Stefanutti Stocks presented 400 goodie bags to 20 schools around Manzini.

## Helping communities be more sustainable

In another community assistance project, Stefanutti Stocks helped by constructing access roads into the rural residential areas of Mangwaneni. After heavy rainfalls in the area, the road leading into the community had eroded. To ensure future sustainability of these roads, roadside berms were created to prevent further soil erosion.



▲ Ablution facility under construction at Mangwaneni community (Top)

▲ Mangwaneni soup kitchen garden (Above)



▲ Waste receptacles donated to schools (Above right)

◀ A Town Council representative addressing school children (Above left)

Stefanutti Stocks is particularly proud of establishing a vegetable garden to be used by the Mangwaneni Soup Kitchen. Having fresh vegetables readily available was a great help to the feeding scheme within the local community.

The project would not have been possible without a supply of fresh water. In order to sustain the garden and produce fresh, readily available vegetables throughout the year, life-giving water resources were needed. In addition to establishing the gardens, Stefanutti Stocks donated and installed two 5 000ℓ water tanks. The group made a real difference to the individuals living in this community and created hope for a brighter future.

# Case study

## Occupational health and safety

### Proactive safety management

With the objective of targeting risk perceptions and with a view to increase hazard identification through enhanced employee awareness, Stefanutti Stocks initiated a campaign focusing on situational awareness.

The well-established Stefanutti Stocks principle of “Be Your Brother’s Keeper” was once again highlighted as a focal point. The value gained through employees looking out for each other not only embraces the concept of accountability but aligns with the legislation of the OHS Act. It reminds employees that everyone is responsible for their own safety in the workplace — and the safety of their fellow staff.

A lack of situational awareness is a factor identified in many construction accidents. This is mainly caused by personal challenges affecting employees, monotonous tasks which breed complacency and an often-overwhelming number of activities that compete simultaneously for attention on a construction site. These factors lead to less attention being given to hazards and oversights, which create risks to the health and safety of employees.

To address this challenge, the “OK” hand signal campaign was introduced. The campaign includes an “OK” hand signal card, with several checklists, attached to the employee’s access card. This serves as a constant reminder to identify risk situations and hazards when performing activities or tasks. The checklists seek to confirm that all potential hazards and associated risks have been identified.

The questions on the card are designed to ensure the safest manner of executing any task on site. Before activities can commence, foremen assess the completed cards to ensure they are marked appropriately. The purpose of the cards is to cultivate the right mindset, enhance communication and prompt employees to re-assess tasks.

To ensure the campaign was effective, much work was done to encourage buy-in from top to bottom by providing training that all employees could understand. The consistent reminders, leading by example by foremen and supervisors and taking an interest in what employees report made the campaign a success.

### Creating awareness for high-risk work

On a headgear construction project for a platinum mining client in Limpopo, the scope of work, included the high-risk task of sliding the headgear section of the mine shaft to a height in excess of 80m.

To help create the necessary attention and cultivate awareness around risk-centred work, an industrial theatre was established on site.

Safety and health were the main focus of creative incentives that led to all employees taking notice and being engaged in the subject matter.

Performances by the industrial theatre included:

- Awareness and Toolbox Talk sessions to convey the message in all South African languages.
- Behaviour observations to monitor progress and the successful implementation of the messaging.
- Leading indicators that had been identified through analysis, to measure the effectiveness of the campaign.
- LEs, VFLs and SSOs conducted by management on a weekly basis were used to set the scene.
- Offering incentives for positive outcomes such as milestones achieved and reports of safe work performances.

Through the creative use of industrial theatre, Stefanutti Stocks took centre stage to endorse safety leadership, reward outstanding performance and recognise safety excellence.



◀ Employees receiving their safety certificates (Left)

◀ Mandatory site hard hat and safety clothing (Below left)

▼ Typical mine headgear construction (Below right)



# Client relations

## Overview

The group remains resolute in maintaining strong, professional relations with its clients.

## Client management

The group's approach to client management is to understand client requirements at tender stage and then cater to those requirements. Upon commencement of a project, the tender and contract documents 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 well as clients.

In addition to current clients, the group has initiated a "Client Engagement" functionality to engage with potential clients on known future work. These engagements will contain details of the clients and associated contact persons. The details of the engagements will be housed on the internal electronic platform (S@S).

## 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.

## Customer satisfaction survey trend analysis report (average per section)

(Based on 116 surveys conducted)



With a score of 1 translating as poor and 5 as excellent, the benchmark for the year remained at "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 minimum threshold of "4" or 80%. Senior management has 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

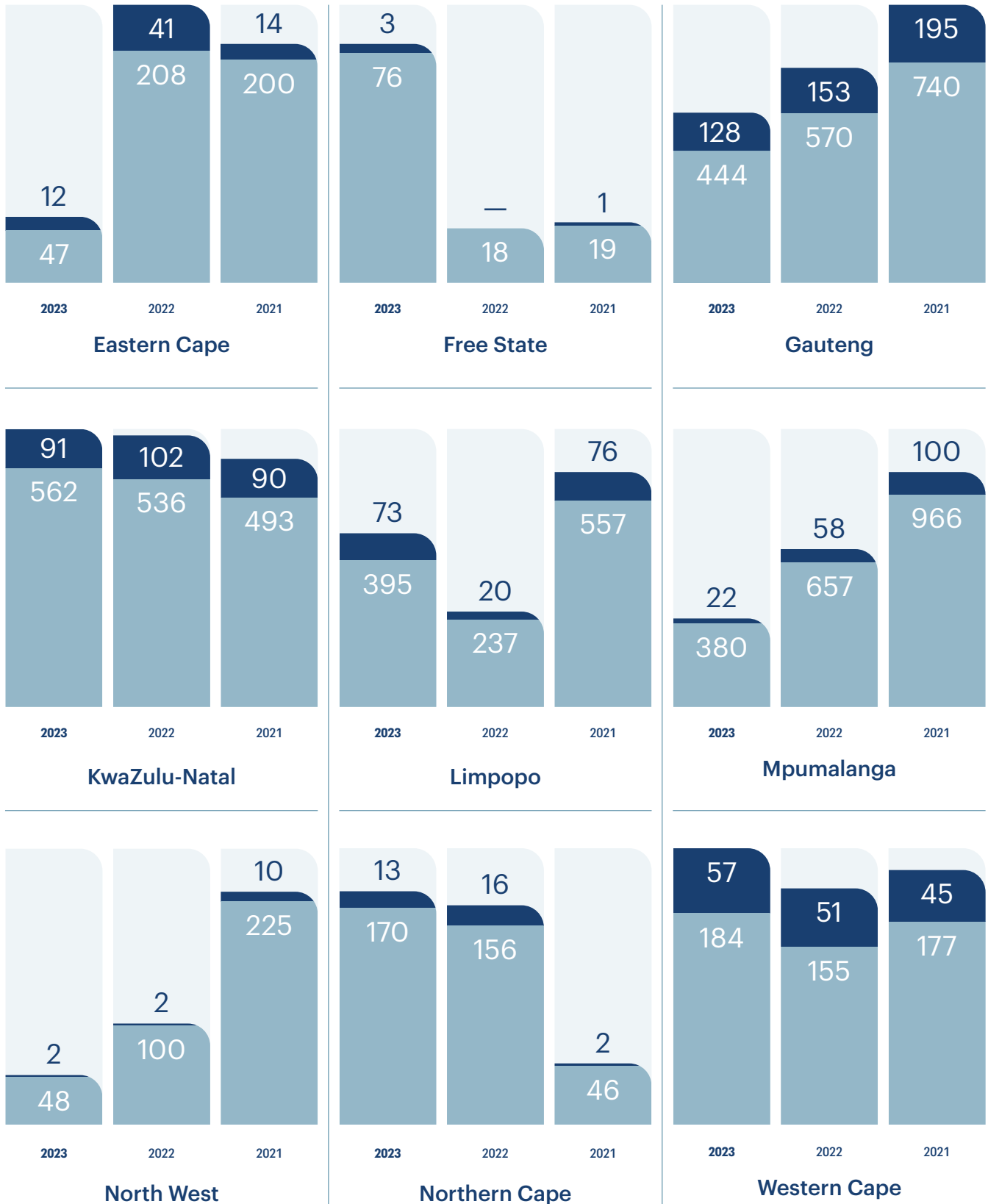
The engagement process with clients is an important part of understanding any issues and implementing improvement measures to further improve relations. This is demonstrated by the group's good record of obtaining repeat work from clients.



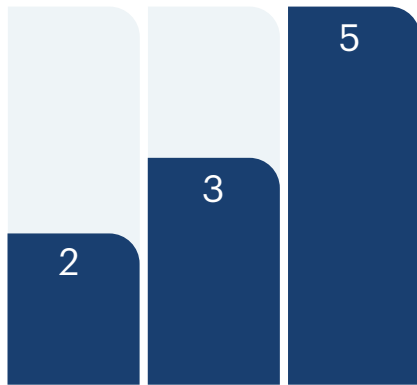
# Additional information

Headcount by region (RSA operations)

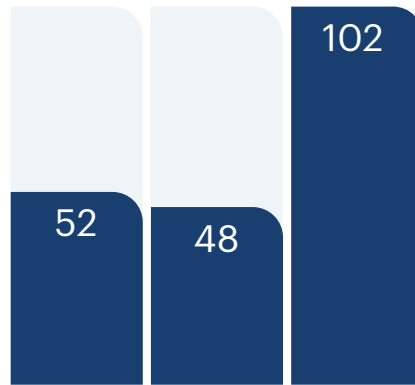
■ Male ■ Female



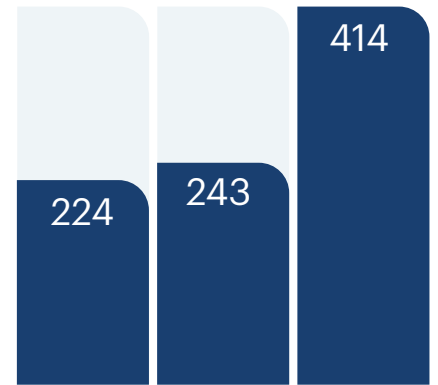
## Headcount by age group (RSA operations) — permanent employees



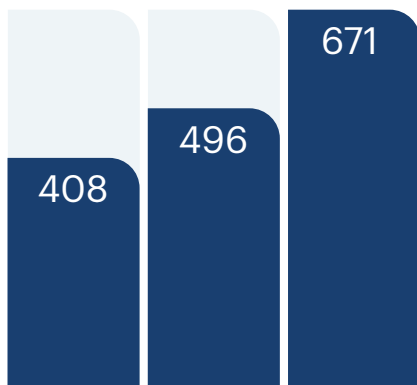
18 – 19 years



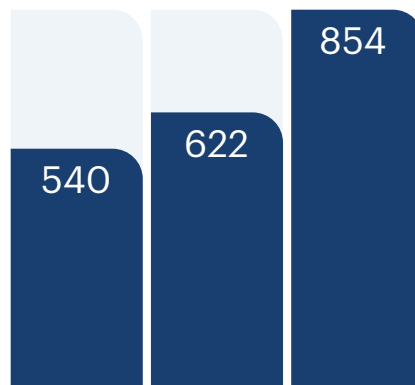
20 – 24 years



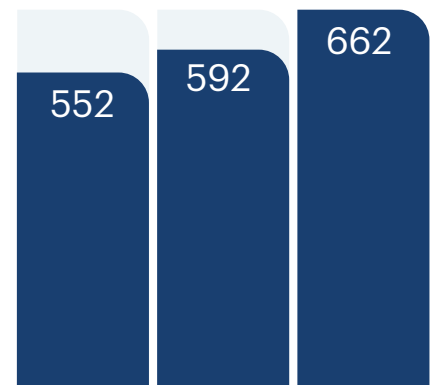
25 – 29 years



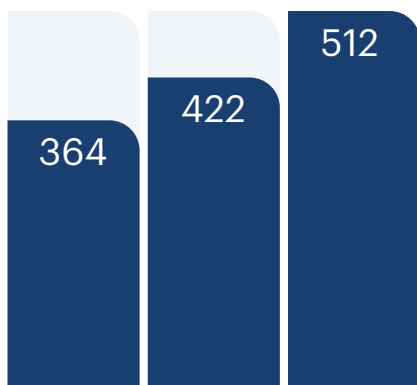
30 – 34 years



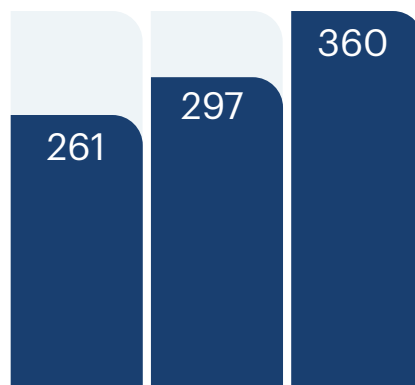
35 – 39 years



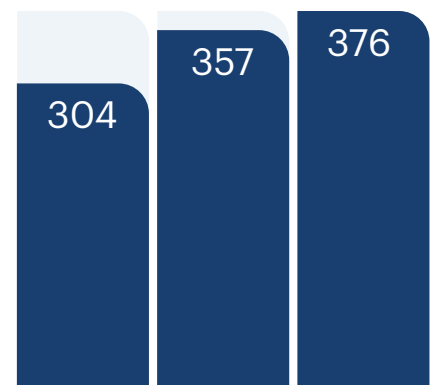
40 – 44 years



45 – 49 years



50 – 54 years



55+ years

## Termination percentages are calculated by using avoidable employee turnover as a percentage of the 2023 headcount

### Avoidable employee turnover: terminations by age group

Age group	2023			2022			2021		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
18 to 19 years	—	2	—	—	3	—	—	5	—
20 to 24 years	1	52	1,9	6	48	12,5	6	102	5,9
25 to 29 years	25	224	11,2	28	243	11,5	57	414	13,8
30 to 34 years	33	408	8,1	45	496	9,1	72	671	10,7
35 to 39 years	26	540	4,8	46	622	7,4	78	854	9,1
40 to 44 years	30	552	5,4	27	592	4,6	53	662	8,0
45 to 49 years	21	364	5,8	23	422	5,5	28	512	5,5
50 to 54 years	11	261	4,2	14	297	4,7	16	360	4,4
55+ years	5	304	1,6	11	357	3,1	23	376	6,1
<b>Total</b>	<b>152</b>	<b>2 707</b>	<b>5,6</b>	<b>200</b>	<b>3 080</b>	<b>6,5</b>	<b>333</b>	<b>3 956</b>	<b>8,4</b>

### Avoidable employee turnover: terminations by provincial region

Region	2023			2022			2021		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
Eastern Cape	8	59	13,6	6	249	2,4	11	214	5,1
Free State	1	79	1,3	1	18	5,6	1	20	5,0
Gauteng	44	572	7,7	74	723	10,2	88	935	9,4
KwaZulu-Natal	17	653	2,6	10	638	1,6	33	583	5,7
Limpopo	24	468	5,1	30	257	11,7	32	633	5,1
Mpumulanga	22	402	5,5	46	715	6,4	88	1 066	8,3
North West	7	50	14,0	22	102	21,6	5	235	2,1
Northern Cape	14	183	7,7	4	172	2,3	8	48	16,7
Western Cape	15	241	6,2	7	206	3,4	67	222	30,1
<b>Total</b>	<b>152</b>	<b>2 707</b>	<b>5,6</b>	<b>200</b>	<b>3 080</b>	<b>6,5</b>	<b>333</b>	<b>3 956</b>	<b>8,4</b>

### Avoidable employee turnover: terminations by gender

Gender	2023			2022			2021		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
Male	124	2 306	5,4	165	2 637	6,3	286	3 423	8,4
Female	28	401	7,0	35	443	7,9	47	533	8,8
<b>Total</b>	<b>152</b>	<b>2 707</b>	<b>5,6</b>	<b>200</b>	<b>3 080</b>	<b>6,5</b>	<b>333</b>	<b>3 956</b>	<b>8,4</b>

### Avoidable employee turnover: terminations by racial group

Racial group	2023			2022			2021		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
African	100	2 161	4,6	123	2 492	4,9	247	3 268	7,6
Coloured	14	103	13,6	8	118	6,8	12	142	8,5
Indian	8	88	9,1	6	90	6,7	4	94	4,3
White	30	355	8,5	63	380	16,6	70	452	15,5
<b>Total</b>	<b>152</b>	<b>2 707</b>	<b>5,6</b>	<b>200</b>	<b>3 080</b>	<b>6,5</b>	<b>333</b>	<b>3 956</b>	<b>8,4</b>

### Avoidable employee turnover: terminations by occupational level

Occupational level	2023			2022			2021		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
Top management	—	7	—	—	6	—	—	6	—
Senior management	2	61	3,3	7	60	11,7	10	67	14,9
Professional	21	221	9,5	27	229	11,8	41	239	17,2
Skilled	57	604	9,4	72	713	10,1	87	845	10,3
Semi-skilled	35	890	3,9	50	1 042	4,8	132	1 461	9,0
Unskilled	37	924	4,0	44	1 030	4,3	63	1 338	4,7
<b>Total</b>	<b>152</b>	<b>2 707</b>	<b>5,6</b>	<b>200</b>	<b>3 080</b>	<b>6,5</b>	<b>333</b>	<b>3 956</b>	<b>8,4</b>

## New appointment percentages were calculated by using total new appointments as a percentage of the total 2023 headcount

### New appointment % per age group

Age group	2023			2022			2021		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
18 to 19 years	2	2	100,0	3	3	100,0	5	5	100,0
20 to 24 years	70	52	134,6	64	48	133,3	90	102	88,2
25 to 29 years	206	224	92,0	166	243	68,3	267	414	64,5
30 to 34 years	276	408	67,6	236	496	47,6	266	671	39,6
35 to 39 years	311	540	57,6	243	622	39,1	299	854	35,0
40 to 44 years	262	552	47,5	174	592	29,4	209	662	31,6
45 to 49 years	154	364	42,3	124	422	29,4	158	512	30,9
50 to 54 years	90	261	34,5	58	297	19,5	85	360	23,6
55+ years	109	304	35,9	78	357	21,8	72	376	19,1
<b>Total</b>	<b>1 480</b>	<b>2 707</b>	<b>54,7</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>

### New appointment % per provincial region

Region	2023			2022			2021		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
Eastern Cape	65	59	110,2	98	249	39,4	134	214	62,6
Free State	32	79	40,5	1	18	5,6	2	20	10,0
Gauteng	201	572	35,1	83	723	11,5	142	935	15,2
KwaZulu-Natal	356	653	54,5	232	638	36,4	245	583	42,0
Limpopo	423	468	90,4	212	257	82,5	233	633	36,8
Mpumalanga	94	402	23,4	148	715	20,7	372	1 066	34,9
North West	19	50	38,0	48	102	47,1	115	235	48,9
Northern Cape	175	183	95,6	101	172	58,7	6	48	12,5
Western Cape	115	241	47,7	223	206	108,3	202	222	91,0
<b>Total</b>	<b>1 480</b>	<b>2 707</b>	<b>54,7</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>

### New appointment % per gender

Gender	2023			2022			2021		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
Male	1 254	2 306	54,4	983	2 637	37,3	1 248	3 423	36,5
Female	226	401	56,4	163	443	36,8	203	533	38,1
<b>Total</b>	<b>1 480</b>	<b>2 707</b>	<b>54,7</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>



## New appointment % per racial group

Racial group	2023			2022			2021		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
African	1 326	2 161	61,4	1 051	2 492	42,2	1 326	3 268	40,6
Coloured	42	103	40,8	28	118	23,7	56	142	39,4
Indian	18	88	20,5	11	90	12,2	5	94	5,3
White	94	355	26,5	56	380	14,7	64	452	14,2
<b>Total</b>	<b>1 480</b>	<b>2 707</b>	<b>54,7</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>

## New appointment % per occupational level

Occupational level	2023			2022			2021		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
Top management	—	7	—	—	6	—	—	6	—
Senior management	5	61	8,2	2	60	3,3	5	67	7,5
Professional	46	221	20,8	19	229	8,3	24	239	10,0
Skilled	169	604	28,0	92	713	12,9	134	845	15,9
Semi-skilled	570	890	64,0	419	1 042	40,2	547	1 461	37,4
Unskilled	690	924	74,7	614	1 030	59,6	741	1 338	55,4
<b>Total</b>	<b>1 480</b>	<b>2 707</b>	<b>54,7</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>

## Bursary spend

	Bursary students					Bursary spend (including stipends)				
	All	Female	Female (%)	Black	Black (%)	All R'000	Female R'000	Female (%)	Black R'000	Black (%)
<b>2023</b>										
<b>Total RSA citizens</b>	<b>74</b>	<b>25</b>	<b>33,8</b>	<b>69</b>	<b>93,2</b>	<b>1 511</b>	<b>471</b>	<b>31,2</b>	<b>1 372</b>	<b>90,8</b>
Inland	22	7	31,8	20	90,9	435	221	50,8	334	76,8
Coastal	41	16	39,0	38	92,7	673	215	31,9	635	94,4
Western Cape	11	2	18,2	11	100,0	403	35	8,7	403	100,0
<b>2022</b>										
<b>Total RSA citizens</b>	58	17	29,3	41	70,7	4 880	1 083	22,2	3 797	77,8
Inland	31	9	29,0	22	71,0	3 351	698	20,8	2 653	79,2
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
<b>2021</b>										
<b>Total RSA citizens</b>	58	18	31,0	34	58,6	2 197	951	43,3	1 757	80,0
Inland	32	9	28,1	17	53,1	1 107	584	52,8	1 034	93,4
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

# EMPOWERLOGIC

## Broad Based Black Economic Empowerment Verification Certificate

A Consolidated Verification Certificate Issued to

### Stefanutti Stocks Holdings Limited

## Level 1 Contributor

#### Measured Entity

<b>Company Name</b>	Stefanutti Stocks Holdings Limited
<b>Registration Number</b>	1996/003767/06
<b>VAT Number</b>	4020157394
<b>Address</b>	Protec Park, Cnr Zuurfontein Ave and Oranjerivier Drive Kempton Park 1619

#### B-BBEE Status

<b>B-BBEE Status Level</b>	Level 1				
<b>Total Points Obtained</b>	100.95	EO: 21.96 points; MC: 11.19 points; SD: 25.08 points; ESD: 36.72 points; SED: 6 points			
<b>Discounting Principle Applied</b>	No	<b>Procurement Recognition</b>	135.00%	<b>Participated in Y.E.S Initiative</b>	No
<b>Empowering Supplier</b>	Yes	<b>Measurement Period Year End</b>	28/02/2022		
<b>Black Voting Rights</b>	72.76%	<b>Black Women Voting Rights</b>	2.73%	<b>Black Designated Groups</b>	0.73%
<b>Black Economic Interest</b>	72.76%	<b>Black Women Economic Interest</b>	2.73%	Black Youth	0.64%
<b>51% Black Owned</b>	Yes	<b>30% Black Women Owned</b>	No	Black Disabled	0.01%
<b>Normal Flow Through Applied</b>	No	<b>Black New Entrants</b>	10.82%	Black Unemployed	0.04%
<b>Modified Flow Through Applied</b>	No	<b>Exclusion Principle Applied</b>	Yes	Black People Living in Rural Areas	0.11%
				Black Military Veterans	0.00%

<b>Issue Date</b>	31/08/2022
<b>Expiry Date</b>	30/08/2023
<b>Certificate Number</b>	ELC11195RGENBBCON
<b>Version</b>	Final
<b>Applicable Scorecard</b>	Amended Construction - Generic Contractor
<b>Applicable BBEE Codes</b>	Amended Construction Sector Codes Gazetted 1 December 2017



#### EmpowerLogic (Pty) Ltd

Reg. No. : 1995/000523/07

BBBEE Verification Agency

Per Gianna Le Roux

Member - Verification Committee



SANAS Accredited

BVA018

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 and has been issued in accordance with the EmpowerLogic Verification Certificate Policy. This certificate supersedes any previous certificates issued to the Measured entity. For enquiries please contact EmpowerLogic at 086 111 4003.

# Abbreviations and definitions

<b>"ADT"</b>	Articulated dump truck	<b>"LTIFR"</b>	Lost-time injury frequency rate
<b>"B-BBEE"</b>	Broad-based black economic empowerment	<b>"MQA"</b>	Mining Qualifications Authority
<b>"CCS"</b>	Construction Computer Software	<b>"NAV"</b>	Net asset value
<b>"CEO"</b>	Chief Executive Officer	<b>"NIHL"</b>	Noise-induced hearing loss
<b>"CETA"</b>	Construction Education and Training Authority	<b>"NQF"</b>	National Qualification Framework
<b>"CIDB"</b>	The Construction Industry Development Board	<b>"OHS"</b>	Occupational health and safety
<b>"CLOs"</b>	Community Liaison Officers	<b>"OHS MS"</b>	Occupational health and safety management system
<b>"COP"</b>	Conference of the parties	<b>"PDI"</b>	Previously disadvantaged individual
<b>"CSI"</b>	Corporate social investment	<b>"QMS"</b>	Quality management systems
<b>"ED"</b>	Enterprise development	<b>"QSE"</b>	Qualifying Small Enterprise
<b>"EE"</b>	Employment equity	<b>"RCR"</b>	Recordable case rate
<b>"EME"</b>	Exempt micro enterprise	<b>"RSA"</b>	Republic of South Africa
<b>"EMEM"</b>	Earthmoving Equipment Mechanic	<b>"SAFCEC"</b>	South African Forum of Civil Engineering Contractors
<b>"EMP"</b>	Environmental Management Plan	<b>"S@S"</b>	Systems at Stefanutti Stocks
<b>"EMS"</b>	Environmental management system	<b>"SED"</b>	Socio-economic development
<b>"EXCO"</b>	Executive Committee	<b>"SETA"</b>	Sector Education and Training Authorities
<b>"FWMS"</b>	Footprint Waste Management Services	<b>"SHE"</b>	Safety, health and environmental
<b>"GHG"</b>	Greenhouse gases	<b>"SMME"</b>	Small, medium and micro enterprises
<b>"green"</b>	Environmentally friendly	<b>"SSO"</b>	Site safety observations
<b>"HR"</b>	Human resources	<b>"TB"</b>	Tuberculosis
<b>"HSE"</b>	Health, safety and environment	<b>"the current year"</b>	The financial year ended 28 February 2023
<b>"ICT"</b>	Information communication technology	<b>"the next year"</b>	The financial year ended 29 February 2024
<b>"IIRC"</b>	International Integrated Reporting Council	<b>"the previous year"</b>	The financial year ended 28 February 2022
<b>"ISO"</b>	International Organization for Standardization	<b>"UNGCHRL"</b>	United Nations Global Compact for Human Rights and Labour
<b>"JSE"</b>	Johannesburg Stock Exchange	<b>"VFL"</b>	Visible felt leadership
<b>"LE"</b>	Leadership engagement	<b>"VMS"</b>	Vendor management system
<b>"LTI"</b>	Lost-time injury		

# 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 19 June 2023: ZJ Matlala\* (Chairman); HJ Craig\*; B Harie\*; BP Silwanyana\*; RW Crawford (CEO); Y du Plessis (CFO)

\* Independent non-executive directors.

## Company secretary

### WR Somerville

Bryanston Gate, Block 4, 1st Floor, Homestead Avenue, Bryanston, 2191

#### Telephone number

+27 28 050 1028

## 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

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## 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

African Banking Corporation Zimbabwe

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

First National Bank Zambia Limited

Moza Banco SA

Nedbank Limited

Nedbank Eswatini Limited

Standard Bank Mocambique Limited

Stanbic Bank Botswana Limited

Stanbic Bank Zimbabwe 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)





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