



SUSTAINABILITY REPORT '17



SUSTAINABILITY REPORT

FOUNDER'S MENTALITY AND THE STEFANUTTI STOCKS WAY	1
GROUP MANAGEMENT SYSTEM FRAMEWORK	4
HUMAN CAPITAL	5
TRANSFORMATION	13
SKILLS DEVELOPMENT AND TRAINING	20
VOLUNTARY REBUILD PROGRAMME	30
HEALTH AND SAFETY MANAGEMENT	32
ENVIRONMENTAL MANAGEMENT	38
QUALITY MANAGEMENT	46
VALUE-ADDED STATEMENT	47
ABBREVIATIONS AND DEFINITIONS	48
CORPORATE INFORMATION	49

**We have pleasure
in presenting the
group's annual
sustainability report.**

**The information, covering the group's
South African operations, was compiled by
taking into account the Global Reporting
Initiative Guidelines, as well as material
issues relevant to the group's South
African operations.**



FOUNDER'S MENTALITY AND THE STEFANUTTI STOCKS WAY

VISION, MISSION AND VALUES

Our vision “if you can dream it, we can construct it” and our mission “excellence in execution” are underpinned by our values of CAndour, People relations, Professionalism, Enthusiasm and Dynamism.

To achieve our vision and mission, a comprehensive three-year rolling strategy is prepared annually. These strategy sessions are designed to develop plans and goals to ensure the sustainability of the business. During the latest strategy development process, we considered how much of the original culture that formed the foundation of our historical success still remains. We explored the questions of what made us great in the first place and made us stand out against our competitors?

This reflection process led to a realisation that our culture had changed over time and a strategic decision was taken that we needed to recapture what we term the “Founder’s Mentality” and the “Stefanutti Stocks Way”. The Founder’s Mentality, a philosophy, with which we readily identified, is contained in a book of the same name by two business strategists, Chris Zook and James Allen.

A combination of the **founder’s mentality** and our guiding principles the **Stefanutti Stocks way** is what gives us our common identity, purpose and culture.



FOUNDER'S MENTALITY AND THE STEFANUTTI STOCKS WAY
CONTINUED

founder's mentality — our philosophy

Business insurgents

are energetic and driven to succeed

- **Bold mission** translates into a unique and energetic business
- **Limitless horizon** feeds long-term sustainability
- **Unique vision** fuels dynamic aspirations

A front-line obsession

is a pro-active desire to execute

- **Customer advocacy** means an obsession with customer satisfaction
- **Front-line empowerment** results in flawless production with the right people
- **Relentless experimentation** leads to innovation that improves performance

An owner's mindset

makes risk more personal

- **Aversion to bureaucracy** leads to simpler processes consistent with principles and values
- **Bias for action** is enabled by an owner's mindset
- **Strong profit and cash focus** generates financial returns for all stakeholders

if you can dream it, we can construct it

founder's mentality

The main barriers to achieve growth and financial goals and ultimately the sustainability of the organisation, are not entirely influenced by the outside market and are often restricted by internal factors. Companies that stand out from their competitors can base their business model on what is called, the "Founder's Mentality", a concept which we have decided to embrace.

The majority of great company founders have this mentality and it is a mindset with which we approach business and deal with all stakeholders. It can be viewed as a stimulus to internal company health and highlights the importance of the maintenance of company energy levels, staying focused on the mission and being innovative. This approach is built on three concepts:

- › Business Insurgency
- › Frontline Obsession
- › Owner's Mindset

Business Insurgency is what makes a company unique, drives it to succeed, and gives it its soul. It is dependent on a long-term commitment and a focused business plan that will ensure sustainability. It is characterised by bold traits that makes a business unique and gives it energy, such as our vision "if you can dream it, we can construct it".

Frontline Obsession relates to the obsession with which an organisation places focus on its customers and ensures that all employees feel part of and contribute to the business. A frontline obsession ensures that the right people are in the right positions, with the right plans and the required tools to deliver on our mission of "excellence in execution".

The final element is the Owner's Mindset. This concept encompasses the sense of ownership of the business by each and every employee and drives a desire at all levels of staff for responsibility and accountability in ensuring we achieve our mission of "excellence in execution". The achievement of the mission is personalised at all levels and increases commitment, productivity and loyalty.

FOUNDER'S MENTALITY AND THE STEFANUTTI STOCKS WAY
CONTINUED

Stefanutti Stocks way

Energised and engaged employees

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

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

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

excellence in execution

Stefanutti Stocks way

The "Stefanutti Stocks Way" comprises three enablers that are key to our sustainability:

- › Energised and engaged employees
- › Client relationships
- › Flawless execution

Energised and engaged employees are key to ensuring the achievement of our vision and mission. In order to energise and engage our employees, we invest in our people through training, career development and regular performance management which drives the business towards the goal of a sustainable, transformed and diverse organisation.

Client relationships are key to ensuring a sustainable business. The need to understand our client's business and project needs is paramount to laying the foundation for "excellence in execution" in current and future work.

This is achieved through ongoing regular contact with clients at all levels. An open mind in these interactions enables a creative solution-driven culture which enhances relationships and supports a constant flow of future work.

Flawless execution reflects how we are ultimately measured by our clients. The five Ps namely, Proper Planning Prevents Poor Performance together with a policy of zero harm in safety, health and the environment and doing things right the first time drives our flawless execution. A lean culture, good relationships with our construction partners and supply chain and pride in our plant and equipment remain key focuses in the business.

These three internal enablers are key to our sustainability and to the identity of Stefanutti Stocks and how we, as a business, are perceived by our staff and our multiple stakeholders.

GROUP MANAGEMENT SYSTEM FRAMEWORK

EXCO

Various forums have been established to improve group effectiveness and ensure standardisation across the group, including a sustainability committee which oversees the compilation of this report.

Human Resources: Mike Sikhakhane

- › Ensures that policies, procedures and conditions of employment support the attraction, development and retention of employees
- › Standardises Human Resource practices, processes and systems
- › HR Governance, Risk and Compliance management

Transformation: Mike Sikhakhane

- › Develops and recommends policies, strategies and processes with goals and targets in line with group strategy and legislative requirements
- › Standardises internal transformation reporting tools, including data collection methodology
- › Develops and implements internal audit processes
- › Reviews, monitors and ensures regular reports are submitted on progress against agreed targets in all the elements of B-BBEE scorecard, VRP, EE and other construction industry-driven initiatives
- › Reviews specific areas where levels of transformation can be improved and recommends strategies
- › Recommends training and transfer of knowledge
- › Communicates to EXCO possible legislative changes, scenario forecasting and current best practice
- › Identifies and develops mitigation measures and monitors transformation risks
- › Ensures professional, timeous and accurate reporting
- › Constantly investigates innovative solutions to drive a transformation culture

Africa coordination: Mark Snow

- › Coordinates the gathering and sharing of information from the relevant BUs activities in Africa
- › Approves the legal business structure through which a project will be tendered, and if successful, executed
- › Builds up a knowledge base of specific-country information
- › Develops broad risk assessment guidelines

Occupational Health, Safety and Environment: Vince Olley

Establishes EMS and OHS MS; Ensure EMS and OHS MS core processes are documented on the SharePoint portal (in collaboration with ISO transition forum):

- › Monitors, measures, analyses and evaluates core process
- › Incident investigation, nonconformity and corrective action core process
- › Addresses risk and opportunities core process:
- › Legal and other requirements;
- › Emergency preparedness;
- › Change management
- › Environmental impact

Quality Forum: Werner Jerling

Establishment of the QMS:

- › Develops management system framework;
- › Aligns common processes and systems;
- › Ensures core processes are documented and available on the SharePoint portal, including:
 - Documented information core process
 - Internal audit core process
 - Management review core process
 - Related QMS operating procedures, processes

Plant: Russell Crawford

Ensures core plant processes are documented and available on the SharePoint portal:

- › Simplify and standardise reports, procedures, policies, principles and management tools
- › Sharing of workshops
- › Sharing of plant
- › Standardise plant and equipment
- › Sharing technology

Procurement: Russell Crawford

Ensures core vendor processes are documented and available on the SharePoint portal:

- › Aligns divisions and business units in buying
- › Targets a potential 1% saving on materials spend
- › The forum is not an attempt to centralise buying but rather to enhance cooperation and the sharing of knowledge
- › The forum should also focus on improving the spend with regards to B-BBEE targets
- › Creates a Buyers' Platform for the centralising and collation of vendor data with subsequent reporting functionality
- › Considers annual tenders for items such as plant, tools, equipment, spares, PPE, etc.

Information Technology: Mark Snow

Ensures core IT processes are documented and available on the SharePoint portal:

- › Provides strategic direction from business to the IT function
- › Approves and prioritise IT application and architecture projects
- › Approves group IT policies
- › Manages overall IT budget

International/Africa strategy: Willie Meyburgh

- › Coordinates the group's international and Africa expansion strategies
- › Information sharing and identifying of cross-border opportunities

HUMAN CAPITAL

INTRODUCTION AND STRATEGIC OBJECTIVES

Through various initiatives the group has continued to make positive progress in being regarded as an employer of choice in the construction sector. The key drivers of its success remained a strong focus, namely a safe and healthy work environment, respect for human rights, a nondiscriminatory environment, protection of human dignity, continued employee development and the right to freedom of association.

The group is currently rolling out a number of initiatives focused on employee engagement and performance enhancement. Progress has been made this year in the rollout of a performance management system for top management, senior management and professional levels.

Another initiative aimed at improving efficiencies is the rollout of an Employee Self-service System for salaried employees and an enhanced recruitment platform.

Employee self-service is a secure web-based system that is integrated with the Human Resource Information System. The system allows employees

to apply for leave, access and manage their personal data and view payslips online.

The group continuously reviews its remuneration policy to ensure that employees are rewarded fairly and in line with market and any legislative requirements.

STAFF COMPLEMENT

At the end of the year the group had a total staff complement of 10 412 employees, excluding temporary employment service employees. Of the total headcount, 2 395 employees were based outside South Africa and 8 017 locally. A further 1 363 temporary employment service employees were engaged.

Employee numbers fluctuate due to specific project requirements. However, avoidable employee turnover for the year was 9,6% calculated on total headcount. The appointment percentage of new employees, including those employed on limited duration contracts was 40,2% of total headcount.

The services of various subcontractors are utilised as part of operational requirements.

TOTAL HEADCOUNT PER BUSINESS UNIT FOR RSA OPERATIONS

Roads, Pipelines and Mining Services



Mechanical and Electrical



Structures



Building



Corporate Services



TOTAL HEADCOUNT FOR ALL OPERATIONS VS RSA OPERATIONS

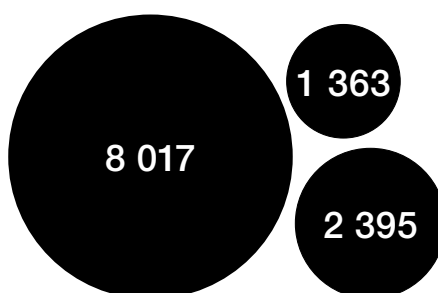
All operations (RSA and foreign operations)



RSA operations



TOTAL STAFF COMPLEMENT



8 017 RSA employees

2 395 Cross-border employees

1 363 Temporary employment services employees

HUMAN CAPITAL
CONTINUED

HEADCOUNT BY REGION

■ Male ■ Female



HUMAN CAPITAL
CONTINUED

HEADCOUNT BY AGE GROUP (PERMANENT EMPLOYEES)

18 – 19 years

'17	0
'16	1
'15	0

20 – 24 years

'17	87
'16	157
'15	100

25 – 29 years

'17	514
'16	567
'15	555

30 – 34 years

'17	780
'16	817
'15	894

35 – 39 years

'17	733
'16	678
'15	764

40 – 44 years

'17	628
'16	614
'15	649

45 – 49 years

'17	485
'16	483
'15	539

50 – 54 years

'17	385
'16	444
'15	471

55+ years

'17	482
'16	460
'15	603

HUMAN CAPITAL
CONTINUED

HEAD COUNT BY APPOINTMENT TYPE, EMPLOYMENT TYPE AND GENDER: SOUTH AFRICA OPERATIONS

	2017	%	2016	%	2015	%	
Permanent employees	4 094	51,1	4 221	52,9	4 575	44,4	
Youth (18 to 34 years)	1 381	33,7	1 542	36,5	1 549	33,9	
— Male	3 591	44,8	3 718	46,6	4 062	39,4	
— Female	503	6,3	503	6,3	513	5,0	
Contract employees	3 923	48,9	3 762	47,1	5 720	55,6	
— Male	3 472	43,3	3 306	41,4	5 074	49,3	
— Female	451	5,6	456	5,7	646	6,3	
Total employees	8 017	100,0	7 983	100,0	10 295	100,0	
Employment type	Salaries	1 970	24,6	2 092	26,2	2 565	24,9
	Hourly paid	6 047	75,4	5 891	73,8	7 730	75,1
Male		7 063	88,1	7 024	88,0	9 136	88,7
	Salaries	1 515	18,9	1 616	20,2	2 021	19,6
	Hourly paid	5 548	69,2	5 408	67,8	7 115	69,1
Female		954	11,9	959	12,0	1 159	11,3
	Salaries	455	5,7	476	6,0	544	5,3
	Hourly paid	499	6,2	483	6,0	615	6,0

TOTAL EMPLOYEE TURNOVER BY TYPE: SOUTH AFRICAN OPERATIONS

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

	2017 terminations	2017 % of total turnover	2016 terminations	2016 % of total turnover	2015 terminations	2015 % of total turnover
Avoidable (resignations, dismissals due to misconduct)	771	18,4	890	15,9	1 171	17,3
Unavoidable (death, retirements, dismissals due to operational requirements and ill health)	680	16,2	933	16,7	954	14,1
End of contract	2 748	65,4	3 770	67,4	4 637	68,6
Total	4 199		5 593		6 762	

TERMINATION PERCENTAGES ARE CALCULATED BY USING AVOIDABLE EMPLOYEE TURNOVER AS A PERCENTAGE OF THE 2017 HEADCOUNT

AVOIDABLE EMPLOYEE TURNOVER: TERMINATIONS BY AGE GROUP

Age group	2017 terminations	2017 headcount	2017 avoidable employee turnover % of headcount	2016 terminations	2016 headcount	2016 avoidable employee turnover % of headcount
18 to 19	—	21	—	4	25	16,0
20 to 24	50	459	10,9	64	555	11,5
25 to 29	164	1 408	11,6	214	1 431	14,9
30 to 34	202	1 645	12,3	204	1 678	12,1
35 to 39	150	1 385	10,8	159	1 294	12,2
40 to 44	77	1 086	7,1	96	1 014	9,5
45 to 49	61	760	8,0	61	727	8,4
50 to 54	38	577	6,6	38	615	6,1
55+	29	676	4,3	50	644	7,7
Total	771	8 017	9,6	890	7 983	11,1

HUMAN CAPITAL
CONTINUED

AVOIDABLE EMPLOYEE TURNOVER: TERMINATIONS BY GENDER

Gender	2017 terminations	2017 headcount	2017 avoidable employee turnover % of headcount	2016 terminations	2016 headcount	2016 avoidable employee turnover % of headcount
Male	691	7 063	9,8	790	7 024	11,2
Female	80	954	8,4	100	959	10,4
Total	771	8 017	9,6	890	7 983	11,1

AVOIDABLE EMPLOYEE TURNOVER: TERMINATIONS BY REGION

Region	2017 terminations	2017 headcount	2017 avoidable employee turnover % of headcount	2016 terminations	2016 headcount	2016 avoidable employee turnover % of headcount
Eastern Cape	29	126	23,0	31	377	8,2
Free State	41	344	11,9	21	278	7,5
Gauteng	162	2 101	7,7	219	2 210	9,9
KwaZulu-Natal	117	1 096	10,7	149	1138	13,1
Limpopo	37	380	9,7	49	409	11,9
Mpumalanga	237	2 682	8,8	222	2 333	9,5
North West	24	205	11,7	91	374	24,3
Northern Cape	55	400	13,8	63	478	13,2
Western Cape	69	683	10,1	45	386	11,7
Total	771	8 017	9,6	890	7 983	11,1

AVOIDABLE EMPLOYEE TURNOVER: TERMINATIONS BY RACIAL GROUP

Racial group	2017 terminations	2017 headcount	2017 avoidable employee turnover % of headcount	2016 terminations	2016 headcount	2016 avoidable employee turnover % of headcount
African	537	6 643	8,1	613	6 486	9,4
Coloured	56	287	19,5	57	254	22,4
Indian	20	132	15,2	26	148	17,5
White	158	955	16,5	194	1 095	17,7
Total	771	8 017	9,6	890	7 983	11,1

AVOIDABLE EMPLOYEE TURNOVER: TERMINATIONS BY OCCUPATIONAL LEVEL

Occupational level	2017 terminations	2017 headcount	2017 avoidable employee turnover % of headcount	2016 terminations	2016 headcount	2016 avoidable employee turnover % of headcount
Top management	2	26	7,7	1	28	3,6
Senior management	6	95	6,3	8	105	7,6
Professional	70	465	15,1	68	457	14,8
Skilled	192	1 408	13,6	231	1 576	14,6
Semi-skilled	257	3 229	8,0	290	3 269	8,9
Unskilled	244	2 794	8,7	292	2 548	11,5
Total	771	8 017	9,6	890	7 983	11,1

HUMAN CAPITAL

CONTINUED

NEW APPOINTMENT PERCENTAGES WERE CALCULATED BY USING TOTAL NEW APPOINTMENTS AS A PERCENTAGE OF THE TOTAL 2017 HEADCOUNT

NEW APPOINTMENT % PER RACIAL GROUP

Racial group	2017 new appoint- ments	2017 head- count	2017 new appoint- ment %	2016 new appoint- ments	2016 head- count	2016 new appoint- ment %	2015 new appoint- ments	2015 head- count	2015 new appoint- ment %
African	2 962	6 643	44,6	3 025	6 486	46,6	4 240	8 470	50,1
Coloured	146	287	50,9	138	254	54,3	114	258	44,2
Indian	16	132	12,1	25	148	16,9	41	176	23,3
White	102	955	10,7	150	1 095	13,7	335	1 391	24,1
Total	3 226	8 017	40,2	3 338	7 983	41,8	4 730	10 295	45,9

NEW APPOINTMENT % PER GENDER

Gender	2017 new appoint- ments	2017 head- count	2017 new appoint- ment %	2016 new appoint- ments	2016 head- count	2016 new appoint- ment %	2015 new appoint- ments	2015 head- count	2015 new appoint- ment %
Male	2 703	7 063	38,3	2 900	7 024	41,3	4 095	9 136	44,8
Female	523	954	54,8	438	959	45,7	635	1 159	54,8
Total	3 226	8 017	40,2	3 338	7 983	41,8	4 730	10 295	45,9

NEW APPOINTMENT % PER OCCUPATIONAL LEVEL

Age group	2017 new appoint- ments	2017 head- count	2017 new appoint- ment %	2016 new appoint- ments	2016 head- count	2016 new appoint- ment %	2015 new appoint- ments	2015 head- count	2015 new appoint- ment %
Top management	—	26	—	—	28	—	7	105	6,7
Senior management	2	95	2,1	3	105	2,9	26	213	12,2
Professional	39	465	8,4	40	457	8,7	146	622	23,5
Skilled	229	1 408	16,3	325	1 576	20,6	844	2 879	29,3
Semi-skilled	947	3 229	29,3	1 154	3 269	35,3	1 307	3 104	42,1
Unskilled	2 009	2 794	71,9	1 816	2 548	71,3	2 400	3 372	71,2
Total	3 226	8 017	40,2	3 338	7 983	41,8	4 730	10 295	45,9

NEW APPOINTMENT % PER AGE GROUP

Age group	2017 new appoint- ments	2017 head- count	2017 new appoint- ment %	2016 new appoint- ments	2016 head- count	2016 new appoint- ment %	2015 new appoint- ments	2015 head- count	2015 new appoint- ment %
18 to 19	21	21	100,0	28	25	112,0	7	6	116,7
20 to 24	399	459	86,9	410	555	73,8	626	617	101,5
25 to 29	770	1 408	54,7	832	1 431	58,1	1 204	1 847	65,2
30 to 34	667	1 645	40,5	749	1 678	44,6	1 077	2 169	49,7
35 to 39	571	1 385	41,2	538	1 294	41,6	647	1 668	38,8
40 to 44	337	1 086	31,0	332	1 014	32,7	516	1 323	39,0
45 to 49	212	760	27,9	191	727	26,3	288	947	30,4
50 to 54	140	577	24,3	136	615	22,1	171	758	22,6
55+	109	676	16,1	122	644	18,9	194	960	20,2
Total	3 226	8 017	40,2	3 338	7 983	41,8	4 730	10 295	45,9

HUMAN CAPITAL
CONTINUED

NEW APPOINTMENT % PER REGION

Region	2017 headcount	2017 new appoint- ments (%)	2016 headcount	2016 new appoint- ments (%)	2015 headcount	2015 new appoint- ments (%)
Eastern Cape	126	110,3	377	42,4	433	55,0
Free State	344	119,8	278	85,2	183	76,5
Gauteng	2 101	25,7	2 210	28,3	2 624	33,7
KwaZulu-Natal	1 096	37,1	1 138	53,2	1 414	8,1
Limpopo	380	50,8	409	55,9	379	31,1
Mpumalanga	2 682	34,3	2 333	26,1	3 768	13,6
North West	205	58,0	374	95,4	393	78,6
Northern Cape	400	44,8	478	57,7	580	73,8
Western Cape	683	46,1	386	61,6	521	60,7
Total	8 017	40,2	7 983	41,8	10 295	45,9

GROUP EMPLOYEE
BENEFITS, POLICIES
AND PROCEDURES

The group is fully committed to protecting its workforce through regulated employment policies and collective agreements reached with various bargaining councils. Protecting employees' health, safety and wellbeing is key to the group's success and is achieved through the provision of risk benefits during employees' working careers and retirement benefits. The group also recognises the need for additional benefits like funeral cover, children's educational cover and repatriation benefits for the entire family.

Furthermore, employees and their immediate families are supported during traumatic life events by means of professional counselling and other support systems. (Refer to employee wellness section.)

In the interest of employee wellness the group has reviewed its in-house group provident fund contribution policy and increased the fund contributions to 9% to improve retirement savings. All retirement benefits within the group are offered based on defined contribution plans.

PERMANENT EMPLOYEES

- › Retirement benefits
- › Medical aid *
- › Death and disability cover
- › Funeral cover
- › Educational benefits
- › Repatriation benefits
- › Various support systems

TEMPORARY EMPLOYEES

- › Accidental death and disability cover
- › Funeral cover

* Only compulsory for salaried employees.

All employees are entitled to annual, sick, family responsibility (including paternal leave) and maternity leave in accordance with the Basic Conditions of Employment Act. In some cases, additional days are allocated based on collective bargaining agreements and the group's policies and procedures.

The group respects and operates within the ambit of the law and relevant legislation as prescribed, and apply minimum notice periods for termination of employment due to operational requirements as governed by the Labour Relations Act.

All scheduled employees are represented by the various unions at bargaining council level. At these forums wage rates are determined through collective agreements which are implemented accordingly.

Conditions of employment are regulated by the group's policies and procedures, the relevant labour legislation, as well as plant-level agreements where applicable. The Human Resources Forum meets monthly to review any areas of possible non-compliance.

HUMAN CAPITAL CONTINUED

EMPLOYEE WELLNESS

Employee health and wellbeing programmes are conducted by our preferred health insurance provider and employee wellness specialist. The latter's services over the past year has seen a marginal increase in employee participation from 3,2% to 3,9%.

Programmes include:

- › Psychological counselling and consultation (face-to-face and/or telephonic counselling)
- › Access to a branded online wellness service
- › Trauma management services including on-site management, should the need arise (group or individual)
- › Provision of communication and health promotion information
- › Appropriate referral and managerial services
- › Management and employee orientation
- › Management consultation services
- › Provision of training on health and wellbeing matters
- › Family care advice and resources

The two prevalent intervention methods are professional counselling at 67% and life management support at 19% of cases respectively:

› Professional counselling	
› Telephonic	67%
› Face-to-face	37%
› Life management	
› Legal consultation	44%
› Financial consultation	41%
› Family care consultation	15%

INDUSTRY ASSOCIATIONS

Stefanutti Stocks fully supports the fundamental right to freedom of association and collective bargaining as enshrined in the South African Bill of Rights and the International Labour Organization conventions. As such, the group actively participates in and engages with the relevant industry associations. The group, through its business units, is a member of the following industry associations:

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

In addition to the normal participation and membership fees, the group provides additional funding to SAFCEC through the financing of specific projects, as well as providing human resources, allowing it to actively influence and enhance the future of the industry.

40% of all hourly paid employees are members of and are represented by the following unions:

- › Association of Mineworkers and Construction Union (AMCU)
- › Building Construction Allied Workers Union (BCAWU)
- › El Shadaai Workers Union of South Africa (ESWUSA)
- › National Union of Metal Workers of South Africa (NUMSA)
- › National Union of Mineworkers (NUM)
- › Metal and Electrical Workers Union of South Africa (MEWUSA)
- › The Chemical, Energy, Paper, Printing, Wood and Allied Workers Union (CEPPWAWU)

All hourly paid employees (75,4% of the total staff complement) fall under industry bodies for which there are collective agreements which have been negotiated in the following bargaining councils:

- › Bargaining Council for the Civil Engineering Industry (BCCEI)
- › Building Industry Bargaining Council (BIBC)
- › Metal and Engineering Industries Bargaining Council (MEIBC)

In the case of salaried employees, there are well-defined group policies and procedures which are reviewed annually or when required. The policies and procedures are introduced to all employees during an induction process at the time of their employment and are available in both hard and soft copy, the latter via the company's online electronic portal or through the relevant Human Resources Departments.

EQUALITY AND LABOUR RELATIONS

The group adheres to the provisions of the Employment Equity Act specifically with regards to the promotion of equality and the removal of unfair discrimination practices in the workplace.

The group accepts its responsibility to continually assess and review the work environment, policies, procedures and practices to ensure it promotes equality hence it reviews its policies, procedures and practices to ensure they align with any changes to the legislation.

REPORTED CASES RELATING TO DISCRIMINATION

Three cases relating to discrimination were registered and the required disciplinary enquiries were held. The appropriate sanctions were issued to the parties involved in line with the company's disciplinary code.

REPORTED CASES RELATING TO SEXUAL HARASSMENT

One case of sexual harassment was reported and recorded and the required disciplinary enquiries were held. The appropriate sanctions were issued to the parties involved in line with the company's disciplinary code.

HUMAN RIGHTS INCLUDING PRINCIPLES 1 TO 6 SET OUT IN THE UNITED NATIONS GLOBAL COMPACT

HUMAN RIGHTS

The group confirms its compliance with Principles 1 and 2 and fully commits to supporting and respecting the protection of internationally proclaimed human rights.

There were no cases or complaints reported or recorded relating to human rights violations and/or abuse during the year.

LABOUR

The group complies with Principles 3 to 6 and commits to uphold the right to freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced and compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation.

Measures have been implemented to ensure that subcontractors uphold these principles, more specifically with regard to the use of child labour, by amending the relevant subcontractor agreements.

TRANSFORMATION

APPROACH AND POLICY

Stefanutti Stocks is committed to the process of broad-based black economic empowerment (B-BBEE), and its implementation within its operations. The broad-based nature of empowerment in South Africa presents an effective solution to addressing historic economic and social inequalities, and to this end, the group supports the B-BBEE Act and the Codes of Good Practice for B-BBEE.

The group actively engages with the Construction Sector Charter Council via industry bodies to align the Construction Sector Charter Codes to the Revised Codes of Good Practice gazetted by the DTI on 11 October 2013. The draft Construction codes were published for public comment on the 28 October 2016 and the Revised Construction Sector Codes were expected to be published in the first half of 2017. While awaiting the final gazette of the Revised Construction Codes the construction sector has to be measured in terms of the Generic Codes of Good Practice. Any verification published after the final gazette date will be measured in terms of the Revised Construction Codes.

The group scorecard declined from a Level 3 Contributor status to a Level 4 and a copy of the scorecard can be viewed on the group's website. This was due to being measured on the Generic Codes as opposed to the Construction Sector Codes. If measured against the Old Construction Codes, the contributor status would have improved to a Level 2.

RESPONSIBILITY AND ACCOUNTABILITY

The managing director of each business unit is accountable for driving transformation and B-BBEE compliance. Targets are set and agreed for each business unit. Each element of B-BBEE is measured and reported on a monthly basis to ensure compliance with the business unit commitments. These reports are presented for review and serve as the basis for improvement plans to maximise compliance during annual verification.

The Transformation Forum has been mandated with the task of ensuring that transformation objectives are communicated and implemented throughout the business.

OWNERSHIP

The measurement criteria for ownership in the Revised Generic Scorecard limits the effect of continued consequence and the rules surrounding the application of modified flow-through in the ownership calculation. The effect of the revised measurement criteria has negatively impacted the black ownership percentage. During the 2017 verification the group reflected 15,77% (2016: 30,02%) black ownership and 2,45% (2016: 6,51%) black woman ownership.

Compliance towards this element of the scorecard declined to 74,60% (2016: 97,20%).

MANAGEMENT CONTROL

The group is strategically driven by a board of directors. Its composition is in line with good corporate governance and adheres to recommendations of the King Codes. 50% of exercisable voting rights are in the hands of black people of whom 30% are women, while 18% of top executive management are black. These percentages are the same as 2016. However the measurement criteria in the Revised Generic Scorecard calculates that compliance with this element declined to 46,22% (2016: 61,90%).

EMPLOYMENT EQUITY (EE)

Creating a diverse workforce and an environment wherein all employees feel equal and are treated with fairness remains a priority.

Each business unit managing director is accountable to ensure that the EE targets are achieved and a deviation reporting system has been implemented to record any recruitment process that is not in line with the revised targets and strategy.

The recruitment and selection process reflects fair and equitable employment practices irrespective of race, gender, disability or any other potential discrimination factor.

The group's EE profile is indicated in the table on page 14.

SKILLS DEVELOPMENT

Stefanutti Stocks is committed to empowering employees and encouraging advancement by providing a system of training and development that is ongoing and structured for purpose. The skills development objective of each business unit is to prepare and empower individuals to participate safely and meaningfully in the workplace. Skills development is a critical contributor to the success of employment equity initiatives, in addition to improving operational effectiveness.

Business units are required to demonstrate how black employees will be the primary beneficiaries of programmes offered.

In-house SETA-accredited training centres are providing registered skills programmes to the business units. The training centres develop and register new skills programmes as required by the business units while updating and optimising existing skills programmes to ensure that they remain relevant.

During the 2017 B-BBEE verification, the score declined to 59,29% (2016: 82,30%) although the verifiable training spend increased to over R70 million compared to R59 million in 2016. The verifiable training spend on black people was R46,1 million (2016: R37,3 million).

Specific information pertaining to skills development is provided on page 20.



TRANSFORMATION
CONTINUED

REMUNERATION FOR MEN AND WOMEN PER OCCUPATIONAL LEVEL

Occupational Level	2017	2016	2015
Senior management	1:0,64	1:0,70	1:0,81
Middle management	1:0,81	1:0,80	1:0,78

EMPLOYEES DEEMED AS PREVIOUSLY DISADVANTAGED INDIVIDUALS (PDIs)

Racial Group	2017	2016	2015
African	6 643	6 486	8 470
Coloured	287	254	258
Indian	132	148	176
White female *	197	215	268
	7 259	7 103	9 172
Total employees	8 017	7 983	10 295
Employees deemed PDIs %	90,5	89,0	89,1

* This table is governed by the Employment Equity Act.

SOCIO-ECONOMIC DEVELOPMENT CONTRIBUTIONS: 1 MARCH 2016 – 28 FEBRUARY 2017

Name	Category	R'000
Madibatlou School	Education	385
Love Trust	Education	470
Jirah Projects	Education	309
Go 4 Gold	Education	129
Disabled Wheelchair	Other — Disability	56
Maydon Wharf Police Awards	Other — Community policing	14
Bray School	Education	300
		1 663

EE PROFILE

Occupational level	FEMALE					MALE					Foreign female	Foreign male	Foreign total	Total
	African	Coloured	Indian	White	Total female	African	Coloured	Indian	White	Total male				
Top management	—	—	—	—	—	4	—	—	21	25	—	1	1	26
Senior management	1	—	2	3	6	4	1	4	76	85	—	4	4	95
Professional	10	2	4	28	44	64	24	23	303	414	—	7	7	465
Skilled	102	7	14	77	200	759	96	42	294	1 191	1	16	17	1 408
Semi-skilled	208	22	20	87	337	2 765	40	19	36	2 860	1	31	32	3 229
Unskilled	348	17	—	—	365	2 324	78	4	12	2 418	—	11	11	2 794
	669	48	40	195	952	5 920	239	92	742	6 993	2	70	72	8 017

TRANSFORMATION
CONTINUED**PREFERENTIAL PROCUREMENT**

Although this element is combined with Supplier Development in the Revised Generic Codes it is reported separately because of the significance it will play in the Revised Construction Codes. The decrease in score from 98,47% to 85,64% is due to the revised measurement requirements in the Revised Generic Codes.

The preferential procurement objective is to facilitate access to procurement activities to enable B-BBEE suppliers to participate in the mainstream of the economy.

In the implementation of this objective the group encourages current noncompliant B-BBEE suppliers to become B-BBEE compliant and adopt a supportive culture when engaging and/or doing business with black empowered, emerging micro enterprise (EME) and qualifying small enterprise (QSE) suppliers.

The role of EMEs and QSEs is critical in the country for both job creation and economic growth.

In pursuit of these preferential procurement objectives, the group actively seeks new vendors and gives preference to B-BBEE-compliant vendors who are able to guarantee performance, quality and safety standards while delivering competitive prices.

The group would prefer to transact with companies in possession of a Level 6 or better B-BBEE rating.

Compliance with the preferential procurement element was 85,64% (2016: 98,47%).

**ENTERPRISE
DEVELOPMENT (ED)**

Although this element is combined with preferential procurement in the Revised Generic Codes the group continues to report it separately because of the significance it will play in the Revised Construction Codes.

The strategy is to foster strong working relationships with competent black-owned companies and to develop them in a tangible, meaningful way to ensure that these companies become sustainable and increase their capacity to take on larger and more complex projects.

Individual business units are required to implement and manage robust ED programmes. The business unit management teams identify and select the number and types of ED beneficiaries that would be most suitable to fit in with their current operations.

Each beneficiary has a contact person within the division or business unit (sponsor) who is responsible for the development of the entity. The sponsor promotes the ED beneficiary within the group and identifies potential synergies on tenders and existing projects and assists with any corporate issues while ensuring that development is taking place.

The group's contribution towards these programmes increased and the overall score improved to 100% (2016: 84,3%), due to less onerous requirements in the Revised Generic Codes.

**SOCIO-ECONOMIC
DEVELOPMENT (SED)**

Stefanutti Stocks focuses on SED initiatives that address education in the communities surrounding its operations, with an emphasis on initiatives that promote mathematics and science. The SED budget is managed at group level with the business units providing direction on the choice of initiatives that will drive the Group SED Strategy. The four main beneficiaries of SED for the 2017 year were Jirah Academy, the Love Trust, Madibatlou School and Go for Gold. All four beneficiaries are focused on education with Jirah Academy and Go for Gold focusing on mathematics and science related subjects.

**SOCIO-ECONOMIC
DEVELOPMENT —
MAKING A DIFFERENCE
BY PLANTING TREES**

As a longstanding member of the Green Building Council of South Africa, and having participated in many green or environmental initiatives, an opportunity was presented to make a positive impact in communities near our operations. The Building Business Unit participated in a day of tree planting at the Kaalfontein Primary School in Midrand, Johannesburg.

The day's activities started early, with the delivery of the trees to the schoolyard and the preparation of the soil prior to planting. The trees' aesthetic appeal was immediately apparent and in a year or two, the shade they provide for the children on the playgrounds and in the classrooms, will be another real benefit to the school.

On the day, 200 River Bush Willow trees were successfully planted. The project is a worthy and sustainable cause, as this variety of tree does not require a lot of water. The trees will also improve the ecosystem near and around the school grounds. A letter of thanks was received from the school's principal and chairperson. Our team will visit the school regularly to ensure that both trees and children are thriving.

The children were happy to see the trees and immediately took part in the event, showing great enthusiasm and presented our team with song and dance items. It was rewarding and encouraging seeing the many children who wanted to help with the planting of the trees.

A 100% score was maintained towards the SED element in the B-BBEE scorecard and R1,66 million was invested in SED initiatives (2016: R2,02 million). The full list of SED initiatives for the year is tabulated on page 14.

TRANSFORMATION CASE STUDIES

ENTERPRISE DEVELOPMENT — MATHOMOMAYO INVESTMENT HOLDINGS CC

ENTERPRISE OVERVIEW

Established in 1999, Mathomomayo Investment Holdings CC is a multidisciplinary business. Managing member Abram Mashabela offers security services, construction, plant hire, and waste and vegetation management. Mathomomayo employs over 450 staff and is 100% black-owned, managed and controlled. The business undertakes projects in the private and public sectors, including private households and local, municipal and provincial governments.

The company's relationship with Mathomomayo dates back to 2011, when it tendered on a pipeline construction project, which was awarded to Mathomomayo. In 2014, Mathomomayo was invited to join the company's ED programme and the relationship grew, when the close corporation became a strategic ED partner in 2015.

The R170 million contract for the water pump station construction at Medupi Power Station was awarded to the Civils Division, in joint operation with Mathomomayo. The joint operation brings invaluable operational knowledge transfer to Mathomomayo, helping their business grow through on-site construction industry experience, access to training programmes, theory and boardroom interactions.

Mathomomayo began benefiting from the joint contract, slowly growing their small but highly capable construction team. Their aim is to run their own sites successfully, based on best practices and to grow their business further. In the joint operation, the project was planned, risks and fine details were considered and accounted for, and budgets worked out, to prevent losses of time and money. Courses were offered to Mathomomayo as well as participation in the mentorship programme and the on-site pairing of Mathomomayo personnel with the company.

Abram Mashabela encourages his son Thabiso to be involved in as many opportunities as possible to further his education, while also gaining practical exposure to the business environment. To gain some practical experience, Thabiso completed an internship at our Civils Division, where he was exposed to governance, practical business experience, and estimating.

Mathomomayo has embraced the concept of having a professional corporate identity, branding and marketing. Stefanutti Stocks assisted in creating a visible, high impact and dynamic image, including the development of marketing material as well as their company website.

Mathomomayo understands that gleaning knowledge from people who have been in the construction industry for decades is invaluable. Mathomomayo is building a reputation as a professional business, which is something they have always aspired to.

Through this partnership, Mathomomayo is achieving their vision of healthy growth and becoming more active in the construction industry.

OUR INVOLVEMENT

Since 2014, Stefanutti Stocks has provided the following support to Mathomomayo:

- › Construction computer software licensing and training for three employees.
- › Assistance with compiling a procurement database.
- › Assistance with human resource policies and recruitment procedures.
- › Four employees are attending the Site Leadership Development Programme, with one employee expected to graduate in 2017.
- › Three students have been enrolled in an enterprise development internship programme, to acquire workplace skills, in particular focusing on tendering, project management and buying.
- › Office space has been provided for tender submission preparations;
- › Rebranding and purchase of a storage container, overalls, car magnet stickers and golf shirts to build brand awareness.
- › One employee is currently undergoing training and mentorship on compilation of monthly evaluation, cost and subcontract administration and measurement reports.
- › Assistance with creating a streamlined and efficient master for the estimating process.
- › In the process of applying for a CIDB Grade 8 Civil Engineering Potentially Emerging accreditation.
- › The two entities prepared and submitted tenders for three joint projects, one of which is Medupi Water Pump Station, awarded in October 2015.



TRANSFORMATION CASE STUDIES

ENTERPRISE DEVELOPMENT — 4PHASE JOINT OPERATION

ENTERPRISE OVERVIEW

4Phase Railtechnik is a 100% black-owned, South African railway infrastructure engineering and construction company that offers a specialist range of services and solutions to the rail sector. 4Phase focuses on the integrated delivery of railway engineering services, including permanent way, railway signalling and condition measurement.

In August 2015, 4Phase joined the Stefanutti Stocks ED programme. This was shortly after a joint project whereby our Civils Division successfully executed a turnkey contract with 4Phase for PRASA in KwaZulu-Natal.

Another success was the execution of the platform rectification work at the Durban and Pietermaritzburg stations from which 4Phase gained valuable experience. They then tendered for and were awarded another platform rectification project in Cleveland, Johannesburg – this contract was completed four months ahead of planned time.

A third rail project, known as the Stray Current Mitigation Project in Sunnyside, Pretoria was awarded to the Oteo/4Phase joint operation, which subcontracted the civil construction elements to Stefanutti Stocks Civils.

Working together on the PRASA projects provided a good foundation for our relationship with 4Phase. This was formalised by including 4Phase in our ED programme, which was a significant step forward for their business. In addition to the benefits of the ED programme, the company gains from the valuable experience passed on from mentors, which contribute directly to the growth of 4Phase.

OUR INVOLVEMENT

Led by managing director Omen Mhishi, 4Phase was a small and relatively unknown contender within the rail construction sector in 2015. By 2016, the company set its sights on growing beyond the railway construction environment.

In order to assist the development of 4Phase, we have provided the following:

- › Management and labour skill transfer in PRASA joint operation projects;
- › Establishment of a cost control system (labour and plant report);
- › Construction Computer Software (CCS) licensing and training;
- › Human resource policies and recruitment procedures;
- › Mentorship of a 4Phase safety officer;
- › Attendance of the Site Leadership Development Programme (SLDP) by two employees, and one employee is expected to graduate in 2017.
- › The two companies have tendered in joint operation for additional PRASA contracts and other civil-related projects for Rand Water.



SKILLS DEVELOPMENT AND TRAINING

A talented and diverse workforce is key to delivering long-term business sustainability. The success of operations is dependent on attracting, developing, and retaining a capable and motivated workforce. Focus is placed on employee development as part of an important employee retention strategy. Improving the knowledge, skills and experience of employees also assists the group in achieving its strategic objectives.

R18,7 million (2016: R22,0 million) was invested in skills training despite tough economic conditions to ensure meaningful employee development. This value excludes the salaries of employees while on training.

The skills development objectives are:

- › Continued review and development of existing programmes
- › Setting new targets and goals in line with the revised B-BBEE scorecard
- › Collaborating with business units to increase value and participation of existing programmes
- › Developing and implementing an e-learning platform
- › Encouraging professional registration of employees
- › Registering in-house programmes for continued professional development (CPD)
- › Developing in-house programmes for the new occupational qualifications
- › Implementing group mentorship programmes

PROFESSIONAL REGISTRATION

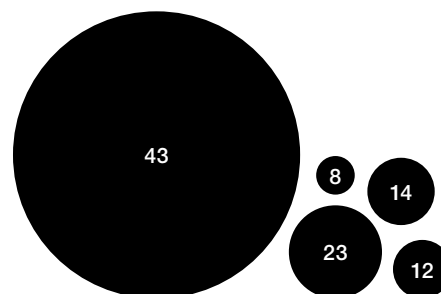
Employees are encouraged, where possible, to register professionally in their occupational field. There are currently 284 professionally registered employees of whom 110 (39%) are black and 35 (12%) female. There are 220 candidates currently in the process of gaining qualifications and experience required to register professionally of whom 141 (64%) are black employees and 35 (16%) are female.

The professional registrations are in the following fields:

- › SACPCMP — Construction Managers and Construction Project Managers
- › SACPCMP — Safety Officers, Managers and Agents
- › ECSA — Professional Engineers, Technicians and Technologists
- › ASAQs — Professional Quantity Surveyor
- › SABPP — Master, Chartered and Professional

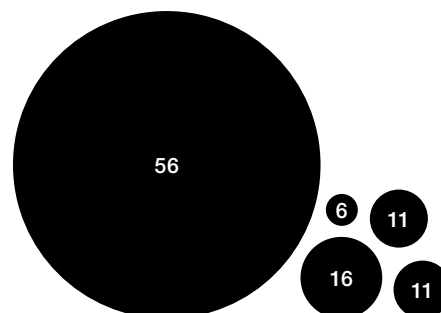
TRAINING SPEND

TRAINING SPEND (%) — '17



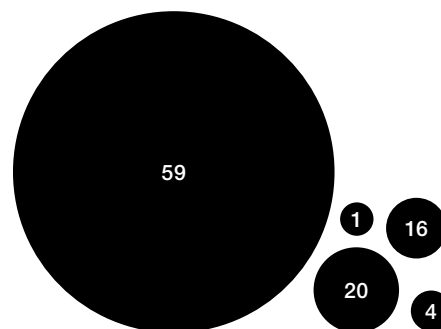
- 14 Bursaries
- 12 Learnerships
- 8 Apprenticeships
- 43 Skills programmes
- 23 Other

TRAINING SPEND (%) — '16



- 16 Bursaries
- 11 Learnerships
- 6 Apprenticeships
- 56 Skills programmes
- 11 Other

TRAINING SPEND PER BU (%) — '17



- 59 RPM
- 4 M&E
- 16 Structures
- 20 Building
- 1 Corporate Services



SKILLS DEVELOPMENT AND TRAINING CONTINUED

TRAINING STATISTICS BY GENDER AND RACE

TRAINING SPEND: BY GENDER AND RACE

	FEMALE				MALE				Total R'000
	African R'000	Coloured R'000	Indian R'000	White R'000	African R'000	Coloured R'000	Indian R'000	White R'000	
Bursaries	609	—	63	348	1 080	100	142	202	2 544
Learnerships	351	—	—	—	1 279	189	—	344	2 163
Apprenticeships	140	—	—	—	787	—	—	532	1 459
Skills programmes	572	9	6	16	6 884	99	24	433	8 043
Other	396	55	92	174	2 010	211	164	1 351	4 453
Total spend	2 068	64	161	538	12 040	599	330	2 862	18 662
No. of course attendances	545	37	76	121	5 094	207	173	978	7 231

TRAINING SPEND PER EMPLOYEE

	No. all employees	R/employee
Training amount/employee (including employees employed on limited duration contract)	8 017	2 328
Employees with disabilities	11	2 432

SPECIFIC TRAINING

NATURE	Spend R'000
SAFETY	3 051
Fall protection	621
Hazardous substance management	84
Health and safety representatives	303
Management and legal liability	1 060
Emergency and incident management	629
Rigging and slinging	354
DIVERSITY	104
ETHICS	117
SITE LEADERSHIP DEVELOPMENT PROGRAMME	282
FOREMAN DEVELOPMENT PROGRAMME	302

SKILLS DEVELOPMENT AND TRAINING CONTINUED

TRAINING CENTRES

The group operates two training centres that are SETA accredited. The RPM Training Centre is accredited with the Mining Qualifications Authority (MQA) and the Structures and Building Training Centre is accredited with the Construction Education and Training Authority.

TRAINING PROGRAMMES

BURSARIES

The bursary scheme provides financial assistance to students and employees enabling them to pursue further development at a recognised educational institution.

Some of the fields of study within which bursaries are offered include:

- › BSc Building, Civil Engineering and Quantity Surveying
- › BEng Civil Engineering
- › MEng Civil Engineering
- › MBA
- › BComm
- › B Tech Building, Civil Engineering and Quantity Surveying
- › National Diploma Building, Civil Engineering and Quantity Surveying
- › National Diploma Human Resources, Safety, Civil Engineering

80 students and employees were beneficiaries of the bursary scheme of whom 41% were female and 70% were black. R2,5 million (2016: R3,5 million) was spent on bursaries during the year.

MINE ENGINEER INTERNSHIPS

RPM initiated six mine engineer internships and signed a memorandum of understanding with a service provider and the MQA.

The six interns, who are MQA graduates, started the mine engineer internship programme and completed the required knowledge training modules for the National Certificate: Rock Breaking: Surface Excavations which are credits toward obtaining their Blasting Tickets.

APPRENTICESHIPS

R1,45 million (2016: R1,3 million) was spent on apprenticeships across 38 apprentices, five (13%) female and 30 (79%) black.

RPM had a total of 23 apprentices attend phase training in the earthmoving equipment mechanic and auto-electrical apprentices fields. Five earthmoving equipment mechanic apprentices underwent their trade tests and qualified, three of whom have received permanent employment with our Mining Services Division. One auto-electrical apprentice underwent her trade test and qualified.

Mechanical and Electrical has 15 apprentices actively participating in an apprenticeship programme at year-end, as one apprentice resigned during the period under review, covering welding, diesel mechanic, earth moving equipment mechanic, instrumentation and electrical trades.

LEARNERSHIPS

85 employees were on learnership programmes, of whom eight (9%) were female and 66 (78%) black. A total of R2,1 million (2016: R2,6 million) was spent.

Learnership opportunities are offered in the following fields:

- › NQF 2 National Certificate in Construction
- › NQF 3 National Certificate in Safety
- › NQF 4 National Certificate in Supervision of Civil Engineering Processes
- › NQF 5 National Diploma in Management of Civil Engineering Processes
- › NQF 5 National Diploma in Health and Safety Management

SKILLS PROGRAMMES

OPERATOR TRAINING

586 plant operators were successfully trained and assessed as follows:

- › 382 RPM plant operators
- › 112 Botswana citizens — as part of an RPM initiative to promote skills development in Botswana
- › 37 Stefanutti Stocks Lesotho plant operators
- › 55 candidate operators from the Delmas community

TAILINGS DAM OPERATIONS AND SLIMES RECLAMATION

Critical training needs were identified within the Mining/Tailings Division and skills programmes for tailings dam operations and slimes reclamation were developed and implemented. Through these programmes, over 100 Tailings Division employees were successfully trained and assessed.

SKILLS DEVELOPMENT AND TRAINING CONTINUED

SOLID FOUNDATIONS

Solid Foundations is an in-house skills programme designed as an introductory programme for hourly-paid employees in the construction sector. The programme is registered as a skills programme with the CETA and is offered by the Structures and Building Training Centre. Solid Foundations includes the following four unit standards:

- › Personal protective equipment
- › Environmental awareness
- › Hand tools
- › Safety awareness

The Solid Foundations learning programme has celebrated its fifth year of successful skills development and 1 882 individuals have been trained since 2012. 503 core employees have attended the programme since inception and 210 employees attended the programme with R153 000 being spent in 2017.

SITE LEADERSHIP DEVELOPMENT PROGRAMME (SLDP)

The SLDP is an in-house programme designed to meet the needs of new graduates and help fast track them into the construction business. This three-year programme consists of 25 modules. The SLDP is registered for Continuous Professional Development points which are validated by Consulting Engineers South Africa (CESA) and consists of subjects in the table below.

The SLDP has celebrated its eighth year since inception with 72 employees graduating from the programme. The programme has expanded and in 2016 the first modules were rolled out to employees within the KZN and Marine Divisions. In future the programme will be offered to all divisions within the group.

In 2016 eight SLDP modules were held in KZN. There were 122 interventions with a total number of 29 attendees. The SLDP for Johannesburg ran during the months of July to October 2016. During 2017, 17 modules were presented with 233 interventions and a total number of 42 attendees.

SITE LEADERSHIP

YEAR 1	YEAR 2	YEAR 3
Human resources	Human resources	Project start-up and close off
Quality	Health	Leadership
Safety	IT management	Marketing
Concrete	Formwork design	Environmental
Management	Plant management	Training
Site administration	Communication	Planning
Project execution	Presentation skills	Tendering
	Quantity surveying	Quantity surveying

SKILLS DEVELOPMENT AND TRAINING CASE STUDIES

TALENTED LEARNERS CONTINUE TO SHINE IN GO FOR GOLD PROGRAMME

ENTERPRISE OVERVIEW

Our relationship with Go for Gold began five years ago in the Western Cape, when we committed to spend R1,2 million on youth empowerment, skills development and training. Go for Gold is an organisation that facilitates corporate sponsors in offering financial support and employment to students.

The Go for Gold programme consists of four phases:

- › **Phase 1** offers financial support at school level;
- › **Phase 2** offers a gap year or internship;
- › **Phase 3** offers a learnership or tertiary education;
- › **Phase 4** culminates in employment.

We have sponsored students in Phase 1 for the past five years. Three interns a year have been recruited into Phase 2, and we have given bursaries to five students in Phase 3 — four of whom are studying towards their National Diploma in Civil Engineering. Two of these are in their third year, and are already employed by the group. One third-year and one second-year bursar have been with the group during all three phases. We have also sponsored a first-year student (studying a Bachelor of Civil Engineering at the University of Stellenbosch) through all three phases.

For the second year running, we sponsored three students in Phase 1. We have contributed R240 000 towards the programme thus far, and will continue to support these students as they progress through the phases.

SITE VISIT TO THE GAUTRAIN PLATFORM EXTENSION

In April 2016, we took the Go for Gold Gauteng participants on a site visit to our Gautrain platform extension project at OR Tambo International Airport. During the site visit, learners had the opportunity to experience a day in the life of a construction professional, and to interact with our civil engineers and industry professionals.

The site visit gave the learners a rare chance to experience a site in operation — something that they would normally have to wait for, typically only in the practical phase of their university education. They were given a taste of reality, and interacted with the young professionals on site, who were enthusiastic and keen to share their experience on the day. It was also rewarding to see a visible change in the learners, as they began to take themselves, and their prospects, more seriously after the site visit.

We are pleased that the programme continues to attract high quality people, with whom we can work and grow into the future. They are eager to learn and work well with others, while also keen to impart their newly acquired knowledge.



SKILLS DEVELOPMENT AND TRAINING CASE STUDIES

JIRAH ACADEMY'S N3 GRADUATES

The Jirah Academy's incredible results have shown the personal growth and academic achievements of its 50 learners. These consistently good results drive us to continue our relationship with the academy. In addition to our financial support, we promote the initiative and assist in fund raising.

Established in 2014, the original bridging programme aimed to rebuild the foundations in engineering mathematics and engineering science of young school leavers from the Durban area. Following the notable success of this programme, the academy went on to pilot N1 and N2 Engineering Studies in early 2015, with the aim of completing N3 Engineering Studies by November 2015. Jirah's first learners graduated at the end of November 2015, with many achieving their N3 Engineering Studies. In the next step, apprenticeships and practical placements were found for a number of successful candidates.

Practical training within a workshop environment is key to artisan development, and a building project to construct a practical training workshop has been initiated. Once complete and fully equipped, this workshop will allow Jirah to operate as an official trade school. Currently, the academy outsources trade orientation, including basic practicals, to SETA training centres and companies based in KwaZulu-Natal.

The academy has recruited mathematics and science teacher Deidrick Kruger. His current role includes overseeing development, with regard to further studies and promotions. He is expected to add significant value to the students in the academy.

In a bid to incorporate global learning, the Jirah Academy has reached an agreement with a USA-based mentoring organisation known as "Mentoring Men". It plans on expanding its international collaborations to include other trade schools and universities.

CREATING PARTNERSHIP OPPORTUNITIES THROUGH EDUCATION

After completing the bridging programme followed by N1 to N3 at the Jirah Academy, 20-year-old Rachael Johnson enrolled at PAX College, a Durban-based Technical and Vocational Education and Training college that shares many of Jirah Academy's philosophies.

In her year at the academy, Rachael realised that she could reach her dream of becoming a civil engineer. She was inspired to see how people care for their community, and how the supportive lecturers help students grow. Rachael aims to complete her N6 in 2017 and has her sights set on studying Civil Engineering at the Durban University of Technology (DUT).

The Jirah Academy and PAX College work in partnership with the DUT by providing effective community development programmes, giving aspiring individuals from nearby communities access to higher education. Passionate about Civil Engineering, Rachael has been consistent in her subject choices at secondary school. By completing her N4 to N6 at PAX College, Rachael has the option to articulate to the first year at the DUT, with her credits in hand.

In spite of the challenges, Jirah continued its important work with its second intake comprising 54 young adults, aged from 18 to 30 who enrolled to study for their N1. Jirah Academy's approach is to constantly improve, which is bearing fruit through academic achievement and discipline.



SKILLS DEVELOPMENT AND TRAINING CASE STUDIES

M&E — APPRENTICESHIPS

M&E is currently training 16 apprentices. Seven candidates joined the programme in the second half of 2015, with a further five candidates recruited in June 2016 to begin their apprenticeships in the mechanical, electrical, instrumentation and welding trades.

These apprenticeships run over a course of three phases, with each phase taking a year to complete. Each phase covers both theory (lasting eight to 15 weeks) and practical work experience, which runs for the rest of the 12 months. After completing their three years, candidates then complete a short revision over two weeks before taking their formal trade test to achieve their qualification in a sought-after engineering trade.

With their theoretical training completed, the apprentices are then assigned to an M&E operation to gain crucial work experience. The various operations assigned include construction sites, pipe-spool fabrication facilities, our Secunda projects or the BU's workshop in Elandsfontein.

Our programme's 16 apprentices comprise eight electrical apprentices, three instrumentation apprentices, three welding apprentices, one diesel and one earthmoving equipment mechanic. Of the 16 apprentices, of which 15 are from designated groups and four are female, seven are in Phase 1 of their trade, five are in Phase 2, and one is in the final phase of the programme. Two have qualified and one is awaiting a trade test date from the Merseta.

The benefits of the programme include: tuition fees, a toolbox, accommodation and meals, as well as a monthly stipend for the three-year duration. The programme offers young people a real opportunity to improve themselves by becoming proficient and confident artisans. It is very rewarding for us to be an integral part of their journey of personal and professional growth.

MOTLALEPULA SEAGE — DIESEL MECHANIC APPRENTICE

Motlalepula Seage (25) started her apprenticeship as a diesel mechanic with M&E in June 2016. She has since completed the theoretical block of Phase 1 at our Artisan Training Institute in Roodepoort, and is currently doing her practical training at M&E's workshop in Elandsfontein. To appreciate just how far she has come, it is necessary to consider her humble beginnings.

Raised in a tight-knit family, Motlalepula was surrounded by a number of strong women in her life. She was inspired by her older sister, who encouraged her to aim high and always apply herself in everything she did.

When she was in Grade 11, the activities on a mine in Maleeuskop sparked her interest in mechanical studies when she finished high school. Unfortunately, when she matriculated in 2009, her marks were not high enough to study at university. Undeterred, she completed a bridging course in 2010 at the University of the Witwatersrand. Sadly, after successfully completing her N3 in Engineering Science, she was forced to suspend her studies in 2013 due to a lack of funds.

Motlalepula submitted her CV to countless companies across Gauteng, as well as at the Artisan Training Institute (ATI) in Roodepoort. In August 2015, she found work as a retail sales assistant, and the following year in April 2016, we contacted her after receiving her CV from ATI and invited her for an assessment.

Excited at the prospect of working for a listed construction company, Motlalepula did well at her assessment and was offered an M&E apprenticeship. She is not intimidated by working in a typically male environment, and has found her colleagues to be kind, welcoming and keen to share their knowledge with her.

We are inspired by Motlalepula's determination to succeed, her ambition and eagerness to learn. We wish her every success in completing her apprenticeship.

AMON PHIRI — ELECTRICAL APPRENTICE

Amon Phiri (23) was awarded a full electrical apprenticeship from M&E in August 2013. He has completed the final phases of his Electrical apprenticeship and will write his trade test in 2017. His story serves as a reminder that we are not bound by our beginnings, however limiting they may seem.

Amon finished high school in 2012 without a clear plan for tertiary studies, as his family did not have sufficient funds. To make a living, he found employment doing odd jobs. During 2013 he was offered an electrical apprenticeship at M&E.

He attended Rhodesfield Technical High School and therefore already had the foundations of a career in electrical. He spent two months at our Electrical and Instrumentation workshop in Barbara Road, before attending Technical Further Education and Training (TFET) in Pretoria. He then rotated between theoretical and the on-the-job practical training, completing his final phase, from 12 January 2015 to 3 March 2015.

Amon is passionate about all things electrical, and enjoys working in a team but also independently, which forces him to solve problems, think for himself and learn. He spends much of his time ensuring the site distribution boards and office containers are set up correctly for connection and certification as soon as they get to site.

We are proud to have offered Amon the opportunity for personal growth and development, and we are pleased that he is making the most of the opportunity through his efforts and positive attitude.



VOLUNTARY REBUILD PROGRAMME

In October 2016, the South African Forum of Civil Engineering Contractors (SAFCEC) formally announced the signing of the Voluntary Rebuild Programme (VRP) agreement between the South African Government, the company and the six other listed construction companies. The agreement comprises three initiatives: a financial contribution by the seven companies to a transformation trust; an integrity commitment between the seven companies and government; and the development of black-owned construction companies, with strict criteria and objectives to be met on an annual basis. This agreement promotes meaningful transformation within the construction industry, while settling potential civil claims and Construction Industry Development Board (CIDB) registration issues.

VRP construction partners will be assisted with skills development, systems and resources to achieve a rating of CIDB Level 9 companies (CE or GB category). By 2024, these VRP construction partners should achieve cumulative combined annual revenue greater than 25% of Stefanutti Stocks's annual South African civil engineering and building turnover.

THE VRP COMMITMENTS

FINANCIAL CONTRIBUTION

Collectively, the seven listed construction companies will contribute R1,5 billion to a transformation trust over a period of 12 years. This financial contribution will be used to develop, enhance and transform the industry, and promote social infrastructure development in the country.

A board of trustees will manage the Trisano trust, with the construction companies and government equally represented, and one trustee to represent SAFCEC. The contributed funds will be used for initiatives, projects and programmes that expedite transformation, including:

- › Developing and promoting construction firms that are black-owned and managed.
- › Providing bursaries, mentorship and employment to selected black construction students.
- › Supporting and enhancing mathematics and science education at public schools.
- › Promoting socio-economic welfare through funding social infrastructure build programmes in disadvantaged communities.
- › Funding seasoned professionals to provide engineering, project management and other services to mostly local government, bolstering its capacity to design, construct, operate and maintain public infrastructure.

The intense nature of the construction industry, with reduced profit margins from high turnover, represents a significant challenge to enterprise development within the sector. Relying on subcontract work from larger construction companies, small or start-up companies are often not sustainable at the lower

margins that are required to win tenders. Focus will be on establishing strong working relationships with our VRP partners and working jointly on projects in South Africa. The aim is to develop sustainable emerging contractors in the long term, and achieve the turnover requirements of the VRP agreement.

INTEGRITY COMMITMENT

The entities participating in the VRP, have signed a declaration with the South African Government, confirming their commitment to creating an ethical culture across the industry, where collusion or corruption will not be tolerated and will be exposed, confronted and eradicated from all operations in the unlikely event that it does arise.

ENTERPRISE DEVELOPMENT COMMITMENT

In addition to our existing enterprise development programmes, the VRP agreement stipulates that the group must either become fully transformed with 40% of equity black-owned, or commit to initiatives whereby up to three emerging black-owned enterprises are developed and mentored. The group committed to the latter option.

To honour these obligations, the group elected to partner with two emerging companies, namely: Axsys Projects (Pty) Ltd, which has been a strategic ED partner of the Structures Business Unit and TN Molefe Construction (Pty) Ltd.

VRP PARTNERS

AXSYS PROJECTS (PTY) LTD

Axsys Projects (Axsys) is a black women-owned, B-BBEE Level 1, CIDB registered construction company that executes structural, civils, roads, earthworks, building and marine infrastructure construction projects across South Africa.

Axsys joined the group's ED programme in 2012, and subcontracted on a pipeline project, to the Structures' Coastal Division on the North Eastern Waste Water Treatment Works (WWTW) project. On the latter projects, Axsys took on more responsibility and expanded its skills set to include concrete work, the construction of three football field-sized sludge lagoons, as well as pipe and building work.

The partnership with Axsys began to deliver tangible results in 2014 in a joint operation with Structures' Marine Division on the R760 million Transnet Capital Projects contract to reconstruct the sheet-pile quay walls at six berths on Maydon Wharf in Durban Harbour. Through this contract, Axsys ascended from the role of subcontractor, to that of a 26% shareholder in the joint operation.





To date, we have tendered with Axsys on a total of eight projects. In addition to the Maydon Wharf project, the following contracts were also awarded in joint operation with Axsys: the civil construction of the Zuikerbosch Sedimentation Plant, and building projects for Nedbank and Mercedes Benz South Africa.

TN MOLEFE CONSTRUCTION (PTY) LTD

TN Molefe Construction (Pty) Ltd (TNMC) is a B-BBEE Level 1, CIDB registered construction company that executes infrastructure and building projects. Established in 2003, TNMC is a member of the TN Molefe group of companies.

Negi Molefe is the Chairman of the TN Molefe Group of Companies which includes TNMC. Negi acquired his professional status with the Engineering Council of South Africa (ECSA) and is registered as a Professional Engineering Technologist.

Negi started his career in February 1988 as a student and qualified in 1990 with the then Van Wyk & Louw (now Aurecon). While still employed by Aurecon, Negi's skills and knowledge were quickly recognised and he was entrusted by the company to oversee and design various civil engineering projects. In May 1995, Negi joined the Victoria & Alfred Waterfront Company, that offered him a position of quality controller for engineering and building projects. He was promoted to Senior Project Manager at the Waterfront.

Negi left the Waterfront Company in April 2000 to start a property development and project management company with three other people. It is here that he became involved in the management of large-scale projects for various clients and initiated a number of property development and project management projects. He left this company in April 2003 to start the TN Molefe brand.

The management and technical experience gained by Negi Molefe over the past two decades is an asset to TNMC. Under his leadership the company has undertaken numerous multi-million rand projects and has performed beyond expectations.

The plant inventory of TNMC includes excavators, tractor loader backhoes, graders, rollers, tipper trucks, water tanks, low beds, flat beds and various other construction equipment.

Some recent project highlights include:

- › The refurbishment of 11 waste-water treatment plants for the department of water and sanitation (DWS);
- › Upgrading of roads and stormwater in Soshanguve;
- › The construction of roads and stormwater at Mohlakeng Ext. 11, Phases 1 and 2;
- › Construction of roads and stormwater in Orangefarm; and
- › Construction of non motorised transport mode facilities in Orlando.

Its service offering includes:

- › Earthworks;
- › Construction of pavement, roads and storm water facilities;
- › Rehabilitation and maintenance of pavement, roads and storm water facilities;
- › Construction of bulk and internal sewer networks;
- › Construction of bulk and internal water networks;
- › Building construction (including rehabilitation contracts, services and networks); and
- › Plant hire.

TNMC is committed to ensuring that all projects it undertakes are conducted in a safe and environmentally friendly manner, and delivered to the highest standards of quality.

VRP CHAMPIONS

The managing directors of the respective sponsor business units will be assigned as champions to the two VRP partners. The VRP Champions will promote the development of the emerging companies from within Stefanutti Stocks and identify potential synergies on tenders and prospects across the group. Several of our mentors will assist each VRP partner with the transfer of knowledge and skills in their specific fields.

Crucially, our VRP partners will benefit greatly from gaining access to projects beyond their CIDB tender range, involvement in joint operations for an improved CIDB grading and skills transfer and access to established industry best practices and operational experience.

The VRP will generate a steady workflow for our VRP partners, providing them with significantly increased turnover and regular income to build their resources, invest in capital equipment and ensure their long-term sustainability.

HEALTH AND SAFETY MANAGEMENT

WHO MAKES THE DIFFERENCE?

Over the last three years we have implemented and maintained effective and efficient management systems within our occupational health and safety (OHS) programmes. Our OHS aim has been to increase awareness, while empowering employees throughout all levels of the organisation to take ownership of OHS. Where necessary, we have taken a firm stance against employees who have shown disregard for our health and safety requirements. Our slogan from “Compliance to Ownership” has resonated well with all stakeholders, and we are pleased to report that this mindset has contributed to excellent safety standards.

AUTHORITY, RESPONSIBILITY AND ACCOUNTABILITY

Our empowerment module — Authority, Responsibility and Accountability — underpins our values and creates the platform for OHS management.

Despite the high-level of attention being given to OHS, a few incidents occurred. Line management had to pursue disciplinary action to correct behaviour.

Stefanutti Stocks supports and embraces employees who lead by example, and champion our basic right to a safe and healthy working environment. Various reward programmes are active from project level upwards and extends to all our offices. The reward programmes are based on recognition for individual or contractor OHS performance.

A process of incorporating some of the principles of “The Founder’s Mentality” was initiated, and one of the OHS Forum’s objectives is to minimise the bureaucracy within the OHS management frameworks. We are constantly trying to minimise the amount of documentation through alignment and standardisation and will not compromise our standards or the integrity of our management systems. All of our operations are OHSAS 18001:2007 certified and the publication of the ISO 45001 standard is anticipated.

Our drive is to create a safety culture where employees take ownership of their own and fellow employees’ safety. Employees have the right to refuse to follow unsafe work instructions and have the mandate to report and rectify unsafe working conditions.

The table on page 34 refers to our objectives. The majority of these objectives are for long-term improvement with some short- and medium-term interventions. The objectives are allocated to elements which drive processes. This will ensure proper focus and execution of the identified methodologies to reach the objectives. These objectives are monitored monthly.

OHS FORUM

The key to a successful OHS programme in our operating context is engagement, representation and support. Our OHS Forum has, under the leadership of the EXCO, been tasked to ensure safe operations.

The entire group’s operations are represented at the forum, which meets on a monthly basis. All material aspects related to safety, are discussed which allows informed decisions to be made on how safety can be impacted positively.

The forum is constantly engaging with employees to ensure that all matters of concern are addressed. Its members also serve on various industry bodies and client-established committees to ensure that we can influence regulators and best practice.

Any legal matters are referred to an external legal expert for further advice. We use a legal update mechanism that ensures that our organisation’s risk assessments cover all compliance matters, focusing on national, provincial, municipal and local by-laws.

OHS RISKS AND MANAGEMENT

The OHS risks that have been identified as potential major impacters on our operations are detailed on page 34.

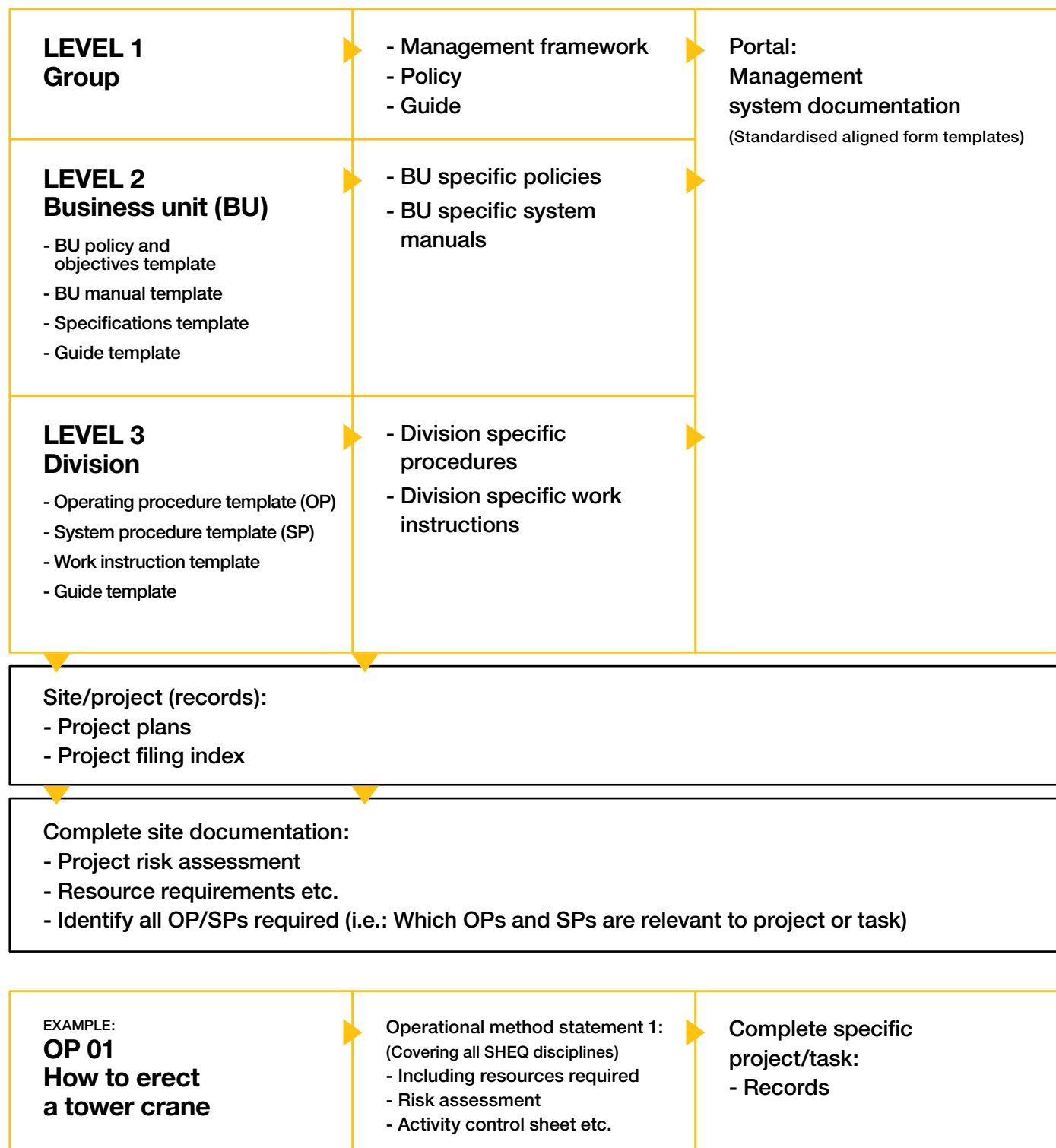
Risk-based thinking has been incorporated into all operations with the implementation of a practical change management procedure. Plan, Do, Check and Act principles are utilised to ensure risk is continually addressed.

Operational risk is managed through robust processes that direct and control outcomes. Our aspiration is to achieve zero harm and create a safe working environment by promoting a culture of care.



HEALTH AND SAFETY MANAGEMENT
CONTINUED

GROUP OHS FRAMEWORK



HEALTH AND SAFETY MANAGEMENT CONTINUED

OHS OBJECTIVES

ELEMENT	OBJECTIVE
Leadership	<ul style="list-style-type: none"> › Drive a safety culture › Enable safety performance › Risk management
Lessons learnt	<ul style="list-style-type: none"> › Effective incident investigation › Proactive incident management
Systems preparation	› Effective implementation of Systems@Stefanutti Stocks and Portal
Execution	› Advice regarding risk and other requirements of the OHS Act
Sustainability/maintain and improve	<ul style="list-style-type: none"> › Benchmarking, analysis and verification › Verify certifications per business unit › Review OHSE data requirements within Systems@Stefanutti Stocks

OHS RISKS AND MANAGEMENT

RISK	MITIGATION
Amendment to the OHS Act	Actively participated in commenting on the proposed changes to the OHS Act and analysed the impact on our liability and responsibility.
New Ergonomic Regulations	We have commented on the draft regulations and are monitoring the progress closely.
Community unrest	Community liaison officers have been appointed to engage with the community and implement amicable solutions. These types of incidents are flagged as major incidents and immediately reported to the CEO.
Supplier and contractor management	Established the Procurement Forum.

SAFETY PERFORMANCE

All injury statistics in this section include contractors under our direct supervision. The fatal incident rate (FIR) is 0,00 as no work-related fatal incidents were experienced.

The lost-time injury frequency rate (LTIFR) was maintained at 0,10 (2016: 0,10).

The recordable case rate (RCR), which consists of medical treatment cases (MTC), restricted work cases (RWC — i.e. Light Duty Cases), lost-time injuries (LTI) and fatal incidents (FI), increased to 0,70 (2016: 0,59).

266 first aid cases and 128 near hits were reported.

The root cause analysis (RCA) methodology is utilised to investigate all major incidents, in order to identify root causes. Top management takes direct responsibility for all required incident investigations.

The group incident classification procedure has been reviewed to ensure all operations classify all injuries in the same manner to ensure better trend analysis and support preventative action. Trends are addressed through awareness campaigns introduced by the OHS Forum, and in-house poster designs.

Following a review of our OHS mouthpieces (mascots) it was decided to keep our meerkat, that represents our culture of care, and our owl that is a symbol of wisdom and being a “look-out” for others.

As a result of our incidents we have lost 402 employee work days.

EMPLOYEE ENGAGEMENT

A number of OHS employee engagements have been conducted in the form of informal surveys for certain operations, and targeted groups within the organisation. Many of the points identified during these interventions have been addressed through several management forums. The group has planned a formal organisation-wide survey during the coming year, which will also include OHS-related questions.

SUPPLIERS AND CONTRACTORS

Supplier and contractor management was a key focus of the past year, and various forums were established to contribute to this important area. All contractor health and safety statistics are monitored on a monthly basis and improvements are undertaken. The newly-formed Procurement Forum has embarked on creating a centralised database to enhance the process of analysing and evaluating suppliers with regards to OHS requirements.

The Quality Forum will be conducting a survey of our client base to assess their satisfaction and will also include in the survey certain OHS criteria for evaluation.

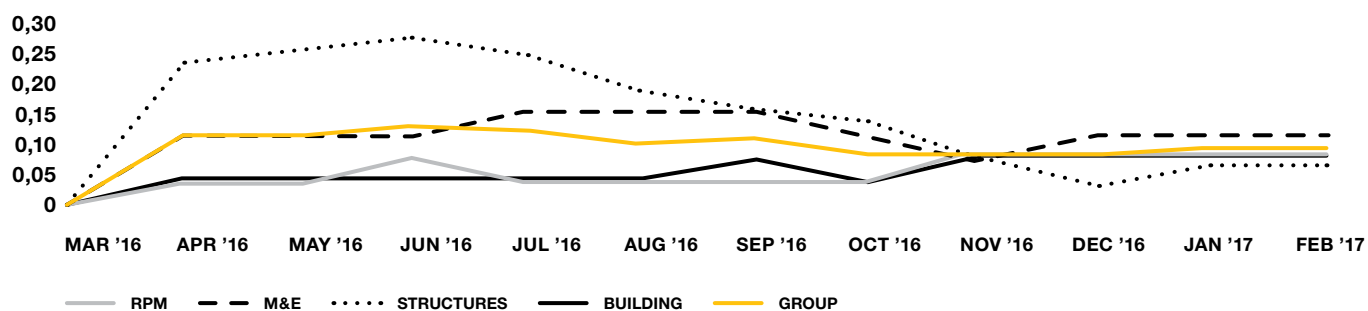
HEALTH AND SAFETY MANAGEMENT
CONTINUED

NUMBER OF INCIDENTS PER SEVERITY	Number of cases 2017	Number of cases 2016
Fatal	—	—
Lost-time injury	14	13
Restricted work case	17	13
Medical treatment case	98	69
First aid	266	108

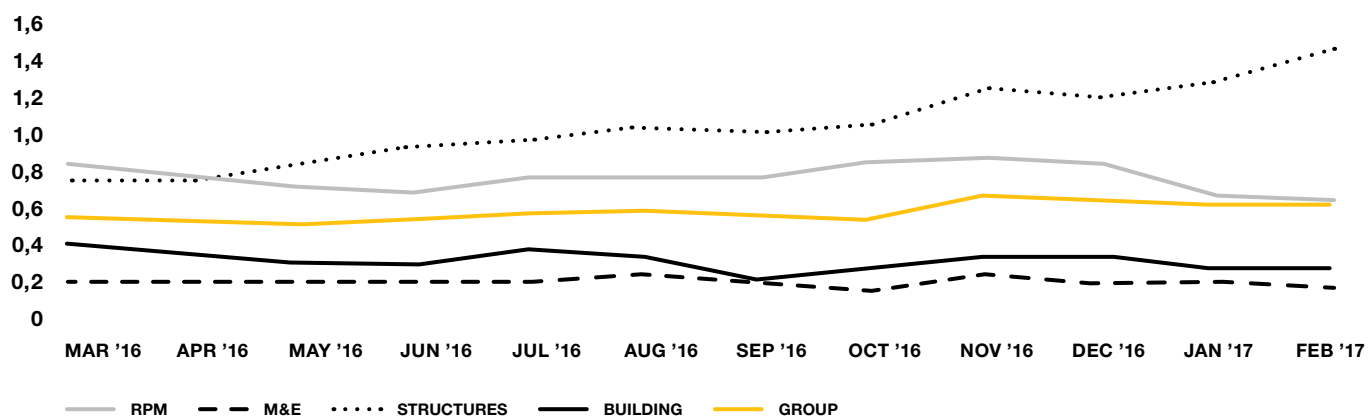
LTIs PER BUSINESS UNIT PER MONTH

	Mar 2016	Apr 2016	May 2016	Jun 2016	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017
RPM	0,00	0,00	1,00	0,00	0,00	0,00	0,25	1,00	1,00	0,00	0,00	0,00
M&E	0,00	0,00	0,00	1,00	0,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00
Structures	0,00	0,25	0,68	0,00	0,00	0,00	1,00	0,00	0,00	1,00	0,00	1,00
Building	0,00	0,00	0,00	1,00	0,00	2,00	0,25	1,00	1,00	0,00	0,00	0,00
Group	0,00	0,25	1,68	2,00	0,00	2,00	1,50	2,00	3,00	1,00	0,00	1,00

LTIFR PER BUSINESS UNIT 12-MONTH ROLLING



RCR PER BUSINESS UNIT 12-MONTH ROLLING



HEALTH AND SAFETY MANAGEMENT CONTINUED

OHS-RELATED TRAINING

Our in-house accredited training programme, Solid Foundations penetrates deeply within our operations, and all training modules include the respective OHS requirements for safe operations.

Temporary works (falsework, formwork, supportwork, scaffold, shoring or other temporary structure designed to provide support or means of access during construction work) have been identified as one of our greatest risks. This specific training module ensures the competent application and fulfilment of all requirements pertaining to this operational activity, and 65 of our employees have completed this module. Our OHS-related training spend amounted to R3,1 million and indicates an increased commitment to ensuring safety knowledge.

SYSTEMS@STEFANUTTI STOCKS

Systems@Stefanutti Stocks has undergone major developments during the year in order to ensure better data capture and analysis relevant for decision-making. More in-depth analysis of our trends has allowed us to set clearer initiatives to eliminate or reduce incidents.

Our lessons learnt register picks up common trends and communicates preventative controls for action. Repeat incidents are immediately identified so that we can re-evaluate the corrective and preventative action.

Systems@Stefanutti Stocks supports the investigation of all incidents within the prescribed time frames, all of which follow the RCA methodology. To ensure credibility of the investigations, all of our line management has been trained in RCA, and apply the methodology consistently throughout the investigations.

VISIBLE FELT LEADERSHIP

As part of the leadership element of our OHS improvement programme, it was made clear that the visible felt leadership (VFL) process required focus and direction. The OHS Forum reviewed our VFL process and reporting criteria.

A major training intervention has been planned to ensure the success of this implementation. We have identified a VFL week, during which all top, senior and middle management employees will be required to focus on VFL interventions and initiatives.

During the 12-month rolling reporting period we conducted 365 VFL interventions and identified the following trends, as illustrated on page 37.

EMPLOYEE HEALTH

All our employees undergo occupational health screening, according to their position in the organisation and the relevant risk profile, in line with relevant legislative requirements. Employees have access to voluntary HIV testing on request. Health incidents are reflected on page 37.

Should the need arise, counselling is arranged for affected parties.



Who makes the difference?



YOU make the difference

HEALTH AND SAFETY MANAGEMENT CONTINUED

TOTAL VISIBLE FELT LEADERSHIP

Access and egress	36
Barricading	87
Documentation and records	42
Edge protection	21
Electrical safe guarding	14
Environmental	41
Excavation	43
Fall protection/fall arrest	30
Formwork/support work	15
Hazardous chemical substances	14
Health and hygiene	25
Housekeeping	109
Lifting equipment/cranes	21
Personal protective equipment	53
Plant and machinery	21
Public safety and visitors	28
Quality	29
Safety signage	14
Scaffolding	30
Site plant and machinery	90
Stacking and storage	12
Training	11
Work environment	45

OCCUPATIONAL HEALTH CASES

Noise induced hearing loss cases	301
Vision impairment cases	135
Lung function cases referred	193
Habit forming substance abuse excluding alcohol	61
Tuberculosis cases referred	9
Section 24 — reportable/notifiable disease cases	7

ENVIRONMENTAL MANAGEMENT

WATER, EARTH AND AIR

WATER

Water, Earth and Air are key topics discussed among our employees. The shortage of water experienced in all the regions where we work has kept our focus firmly on this aspect of our operations.

The responsible usage of water has been strongly emphasised and addressed in various environmental campaigns and initiatives.

The rainfall has provided some water capacity in a number of regions. However, we remain mindful of our impact and our responsibility to conserve water.

Our water-saving initiatives included:

- › Inspecting buildings to eliminate leaking taps or pipes including building maintenance.
- › Setting all flushing toilets to use the minimum amount of water required to flush.
- › Ensuring all storm water runoff areas were clear of debris.
- › Ensuring the implementation of our storm water management plans on site.

As required by the Department of Water and Sanitation (previously the Department of Water Affairs) water licences have been issued to our projects across all regions within which we operate. A total of 773 913 kilolitres of water was consumed. Our water usage percentage represented as the total use per source is illustrated below.

We participated in many water distribution campaigns throughout the year and assisted communities where water could no longer be drawn from a tap. Some of our projects had to apply for exemption from environmental management plan clauses pertaining to dust suppression due to the devastating effects of the drought.

EARTH

The management of top soil for rehabilitation purposes is a priority, including the minimal movement of top soil to protect its composition.

AIR

As our industry requires the utilisation of earth-moving machinery and equipment, we strive to reduce our impact on the environment by moving towards using machinery and equipment specifically designed to reduce our carbon emissions.

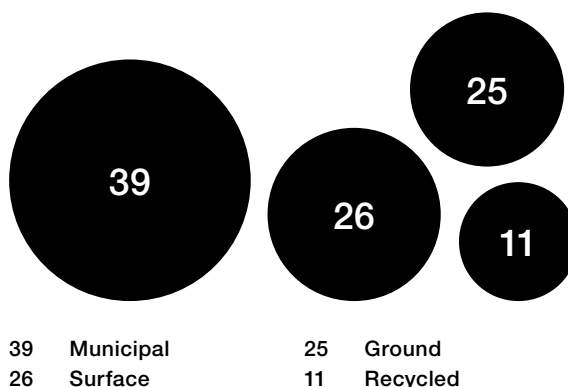
EMPLOYEE AWARENESS

Employees are educated regarding their individual impacts on the environment. They are urged to take responsibility for protecting it, whether at work, home or within the community. Our internal orientation programme targets all employees and ensures that we impart the required information to make our objectives and targets understood. As a result, our employees are able to make informed decisions about the importance of environmental stewardship.

ENVIRONMENTAL IMPACT MANAGEMENT

It is an unfortunate fact that our operations impact some biodiversity and natural habitats. These habitats have been identified and protected as prescribed by the various client Environmental Control Officers. We have also identified fauna and flora which appear on the red list species and have taken action to prevent harm to these species. A list of the identified species per region is disclosed on page 39.

WATER USE PERCENTAGE PER SOURCE (%)



ENVIRONMENTAL MANAGEMENT CONTINUED

BIODIVERSITY MANAGEMENT

PROJECT NAME	TOWN	REGION	RED LIST SPECIES/HABITAT
Mangaung Water Treatment Works area impacted — approximately 0,5km ²	Bloemfontein	Free State	African bullfrog (<i>Pyxicephalus adspersus</i>)
Oliphant's River Bridge area impacted — approximately 1km ²	Cape Town	Western Cape	Numerous species in the Fynbos Biome: African star grass or African potato (<i>Hypoxis hemerocallidea</i>), Broad-leaved <i>Hypoxis</i> (<i>Hypoxis colchicifolia</i>), Giant false scilla or giant African hyacinth (<i>Ledebouria zebrina</i>), (<i>Senecio umgeniensis</i>), bush violet or barleria (<i>Barleria obtuse</i>), Soap Aloe (<i>Aloe maculate</i>), Cape Aloe (<i>Aloe ferox</i>), Africa Aloe (<i>Aloe Africana</i>), Natal watsonia (<i>Watsonia densiflora</i>), Umlunge – terrestrial orchid (<i>Eulophia welwitschii</i>)
GLS Supply Chain Warehouse area impacted — approximately 0,5km ²	Cape Town	Western Cape	Wetland Salinity Level
Hammarisdale	Pietermaritzburg	KwaZulu-Natal	Giant false scilla or giant African hyacinth (<i>Ledebouria zebrina</i>) (<i>Senecio variabilis</i>) African star grass or African potato (<i>Hypoxis hemerocallidea</i>) Natal watsonia (<i>Watsonia densiflora</i>) Terracotta gazania or Gousblom (<i>Gazania krebsiana</i>) Large aloes Small/medium aloes

ENVIRONMENTAL OBJECTIVES

ELEMENT	OBJECTIVE
Leadership	<ul style="list-style-type: none"> › Carbon emission control › Policy review and implementation › Report on environmental matters › Increased awareness
Lessons learnt	<ul style="list-style-type: none"> › World calendar initiatives › Incidents management › Best practices › Training › Increase awareness › Establish and maintain poster campaigns
Systems preparation	<ul style="list-style-type: none"> › ISO 14001:2015 based management system transition
Execution	<ul style="list-style-type: none"> › Measure legal and system compliance
Sustainability/maintain and improve	<ul style="list-style-type: none"> › Benchmarking › Verify › Review

ENVIRONMENTAL MANAGEMENT
CONTINUED

ENVIRONMENTAL
FORUM

The Executive Committee has established an Environmental Forum that deals with environmental matters and guides compliance, performance and responsibility. The forum members have defined objectives to ensure that there are measurable criteria against which we can monitor.

ENVIRONMENTAL
FRAMEWORK

The environmental framework was reviewed to incorporate focus on accurate information and statistics. This was done in accordance with South African National Standards (SANS) (14064, 14065 and 14066), as well as the Global Reporting Initiative (GRI). The data captured in Systems@Stefanutti Stocks is verified on a monthly basis as part of inspections and other verification processes.

Business units have undertaken various initiatives to ensure operations are sustainable and to reduce their impact. We have significantly invested in environmental management programmes and initiatives.

ENVIRONMENTAL
LIABILITY

In the event of an environmental accident and to allow for the recovery of the situation, we have insurance in place for environmental liability.

There are two aspects to the insurance cover:

- 1) Sudden and unforeseen pollution insurance: Covering legal liability resulting from sudden and unforeseen pollution.
- 2) Pollution clean-up costs: This is an extension to the above policy as cleaning up of pollution events is a statutory requirement.

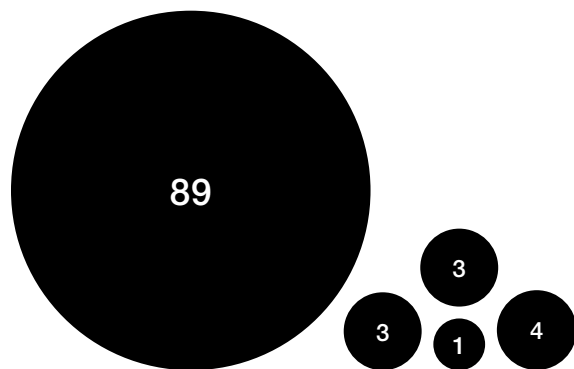
CERTIFICATION
AND COMPLIANCE

Our business units meticulously maintain their ISO 14001 certifications. We are now in the process of implementing the 2015 version of this standard, and our Building's KZN Division has successfully been certified ISO 14001:2015 compliant.

The operating divisions that do not have their own ISO certification, work directly under their clients' certification.

Our legal compliance is managed on a baseline impacts and aspects register methodology, and is monitored on an ongoing basis.

ENVIRONMENTAL EXPENDITURE (%)



- 89 Equipment, maintenance, and operating materials and services including related personnel costs
- 4 Other management costs
- 3 Treatment and disposal of waste
- 3 External services for environmental management
- 1 Other environmental costs

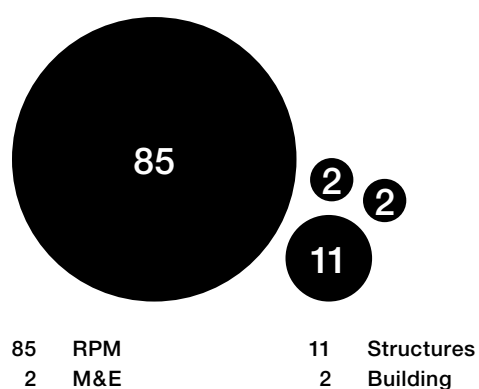
ENVIRONMENTAL MANAGEMENT CONTINUED

CARBON EMISSIONS

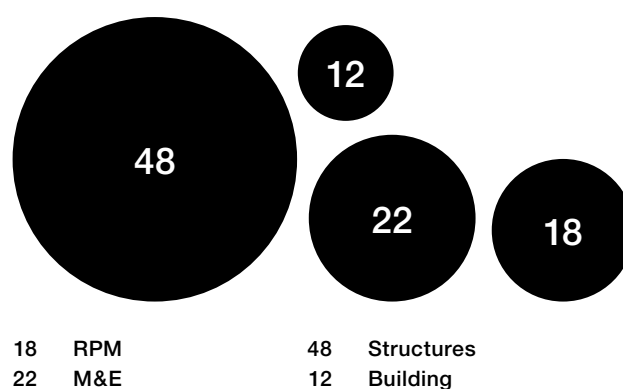
	FY2017 (tCO ₂ e)	EMISSION FACTORS
Scope 1	57 025	Diesel: 2,67kg CO ₂ e Petrol: 2,30kg CO ₂ e Oil: 2,97kg CO ₂ e LPG: 2 715,83kg CO ₂ e
Scope 2	3 713	1,027 ton CO ₂ e per MWh
Gross	60 738	

SCOPE 1 PER BUSINESS UNIT (tCO₂e) (%)

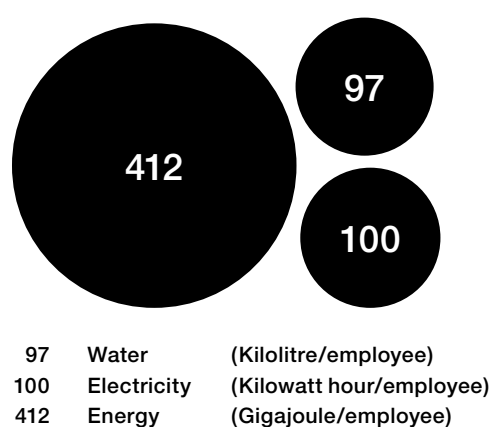
Represented as a percentage of total carbon emissions.



SCOPE 2 PER BUSINESS UNIT (tCO₂e) (%)



TOTAL OPERATIONS INTENSITY



MAIN WASTE STREAMS DISPOSAL (TONNES)



ENVIRONMENTAL MANAGEMENT CONTINUED

CARBON EMISSIONS

It is the first year in which we are reporting our carbon footprint. Ensuring the accurate and manageable collection of statistics is not an easy task, particularly when considering the diversity of the operations across the group. Our data accuracy will improve with time as we refine our data collection processes.

The EXCO elected the financial control approach as a reporting boundary. The emission factors set by the Department for Environment, Food and Rural Affairs (DEFRA 2016) of the United Kingdom are used to calculate our carbon emissions. Purchased electricity emissions factors used for calculations are obtained from Eskom. These emission factors are amended annually.

Scope 1 reflects Direct Emissions, and Scope 2 reflects purchases for electricity from the grid. We will not be reporting on Scope 3 emissions at this stage.

Carbon emissions have been calculated per business unit, as it is important to report per operational requirement due to the diversity of our portfolio.

As part of our sustainability improvement framework, water, electricity and energy intensity are measured per employee.

WASTE MANAGEMENT

Waste management is a core element of the success of our environmental framework.

Hazardous waste is managed diligently, and in accordance with legislative requirements. All hazardous waste is disposed of at registered accredited facilities.

The two main generators of general waste in the group have been identified as domestic and construction waste. Our waste programmes focus on recycling waste and all attempts are made to divert waste from landfills.

Each construction contract is responsible to identify its site-specific waste streams in terms of its project's scope of work.

INCIDENT MANAGEMENT

In terms of the identification and classification of incidents, our group operates according to a core, aligned incident management procedure. There were no major reportable environmental incidents. However, as part of our continuous improvement programme, we do report on all incidents, regardless of the severity or consequence thereof.

During this review we experienced 80 minor environmental incidences. The bulk of these minor incidents were small hydrocarbon spills in controlled operational areas. All of these incidences have been analysed and corrective action implemented. Some complaints from urban communities regarding construction noise have been addressed through established community forums.

We have not received any fines or been summonsed by any government institution, regarding environmental noncompliance.

CONTINUOUS IMPROVEMENT

To improve environmental performance, we will be concentrating on the following areas:

- › ISO 14001 transition from 2004 to 2015 standard for all our operations.
- › Development of Scope 3 reporting criteria and data collection.
- › Enhancement of our Group Environmental Framework.
- › Enhancement of our reporting and set targets against identified elements.

ENVIRONMENTAL CASE STUDIES

WASTE OIL RECYCLING AT THE RPM WORKSHOP

The RPM Business Unit generates a significant amount of waste oil due to the extensive plant and machinery used. In line with good practice, waste oil is currently recycled through credible service providers such as Oilkol and BME. However, we understand that we should do more to reduce the generation of waste oil, while also promoting its reuse. To achieve this, we have developed an oil waste recycling facility at the RPM Workshop.

The recycling facility recycles waste oil generated from various activities on construction sites located in Gauteng, Limpopo, Mpumalanga, and North West.

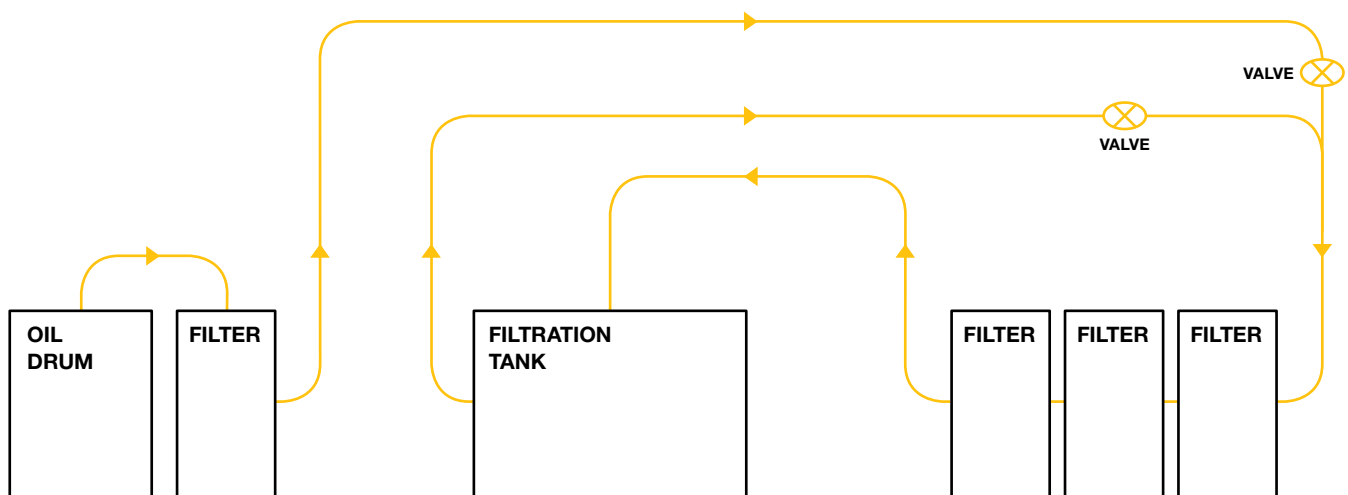
The plant is located within the RPM Workshop facility, which has an impermeable surface, preventing liquid from seeping through the surface and contaminating the underlying soil and water resources.

Furthermore, the facility is equipped with secondary containment in the form of a double brick concrete bund wall. The wall is designed to prevent oil from escaping into the environment in the event of a leakage from the storage container.

The waste oil recycling process will be undertaken as follows:

- › Only oils that are of a hydraulic class are deemed viable for recycling.
- › The criteria applied to such oils prior to recycling are:
 - » No water present.
 - » No dilution of additive package.
- › Hydraulic oils are divided into two main categories: Engine oils (SAE 10, 20 and 30 VI grades); and dedicated oils (ISO VG 32, 46 and 68 VI grades). These six oil classes are batched into individual tanks.
- › The minimum recycling batch size is 1 000 litres, due to the cost of the pre- and post-oil analysis testing.
- › The cost recovery for the testing is 50 litres, based on a resell of R10,00 per litre.

Every year, South Africa generates approximately 120 000 000 litres of waste oil. Due to the various contaminants present in used oil, it is classified as hazardous waste and diverted from landfill sites, for recycling into valuable fuel oil and oil-based products.



FLOW PROCESS

- › Oil received in 210 litre oil drums
- › The oil is then pumped through the filtration system and into the filtration tank
- › Once the oil drum is emptied the valve is turned off
- › The oil then circulates through the filtration system and the filtration tank
- › This cycle ensures that the oils are free of contaminants and the ISO cleanliness levels are reached

ENVIRONMENTAL CASE STUDIES

MAYDON WHARF ENVIRONMENTAL AWARENESS

The Maydon Wharf project involves the demolition and reconstruction of berths 1 to 4, 13 and 14 in the Port of Durban. Our Marine Division, under the auspices of the Structures Business Unit, is executing the project. The construction works comprise sheet piling, anchor piling, grouting works, in-situ and pre-cast concrete works, in-fill, layer works, asphaltting, the installation of railing and harbour furniture (bollards, access ladders and fender panels), and dredging.

As an ISO14001 certified company operating in the sensitive environment of the Port of Durban, we have to, as part of our environmental management system, continuously identify the full impact of our activities on the environment. The prevention, mitigation and rehabilitation measures that are identified minimise environmental degradation and ensure that we are compliant.

Determining our environmental impact requires that we consider a range of on-site measures in order to mitigate them, after task and impact-specific environmental statement and risk assessments. Our activities impact on ecosystems through an accumulation of waste, noise, dust and hazardous material substances. Our work also impacts on natural resources such as energy, land and water, as well as the public, people and companies in and around the construction site.

During the course of various operations on the project a number of interesting environmental challenges have arisen. Some of these were anticipated and prepared for during the planning stage, while other challenges arose as the project progressed.

GROUT SPILLS

The most technical of these were grout spills resulting from grouting anchor piles. To mitigate this, a standby clean-up team is always on hand during grouting, to deal with spills quickly and effectively, preventing any adverse environmental impact.

Grout is delivered to an anchor pile via a series of pipes and initially a number of grout spills occurred due to connection and pipe failure. After a number of alternatives were tested, we adopted the final design, comprising single braided hydraulic pipes. Using the new pipe design, pipe and pipe connection failures fell dramatically with less cracking and breaking; there were also no disconnected pipes during piling, and most importantly — fewer leaks and spills.



DREDGING

To perform sensitive activities such as dredging or the disposal of dredge material, we are required to obtain the relevant permits from the Department of Environmental Affairs (DoEA). According to the permit issued by the DoEA for the disposal of dredge material at sea, dredging operations require mandated environmental monitoring.

The Council for Scientific and Industrial Research was contracted to perform bi-weekly turbidity testing at the dredge sites, as well as bio monitoring of the designated disposal site. The route to and from the disposal site for each trip, as well as the position of the actual disposal, had to be tracked and plotted on a map. This information is submitted to the project manager at Transnet Group Capital, who then submits the information to the DoEA. The GPS tracking information is recorded from systems installed on the split hopper barges that conduct the removal and dumping of the dredged material.

RESOURCES

We must always be mindful of the sensitivity of the environment around our operations. Advances in biodegradable products offer alternatives to the traditional greases and lubricants.

LUBRICANTS

During sheet piling, grease is used to lubricate clutches, to prevent the steel sheets from fusing as they are piled. A non-hydrocarbon-based biodegradable grease was sourced to avoid polluting the marine environment during piling activities.

WATER

Using biodegradable grease is a good example of an alternative to using standard resources. Another is the use of water to aid compaction during layer works. Instead of using scarce fresh water to achieve optimum moisture content of the fill material, an alternative method to use seawater as a potential solution was proposed. Our technical team met several times with the Department of Water and Sanitation and after a follow-up site visit, permission was granted to use seawater.



DIESEL SUPPLY

Environmental management standard ISO 14001 states that “a company should identify all their environmental compliance requirements”. Given the constant change in environmental legislation and the requirements of municipal by-laws, it is important that we continue to identify our legal obligations to ensure that we remain compliant.

The Maydon Wharf project requires a large number of fuel-driven plants such as crawler cranes, generators, tractor loader backhoes and crane trucks. As such, we have to ensure that a sufficient supply of diesel is available for the plant. To make this possible, we purchased a 1 000 litre mobile diesel bowser, moving from one site to another for a continuous supply of diesel.

Under the Interim Code Relating to Fire Prevention and Flammable Liquids and Substances, the eThekweni Municipal by-law requires that storage or transportation of more than 400-litres of Class II or Class III flammable liquid be certified by the local fire department.

As our bowser’s capacity exceeded this threshold, we applied for certification from the fire department. Before obtaining the certificate of registration, several members of the team were trained on the safe transportation of hazardous goods to ensure workplace competency.

The diesel bowser had to be pressure tested and free of leaks, and we had to obtain a special licence registration for the trailer as well as the vehicle transporting the bowser. A safety fire marshal conducted a site inspection on our site and found it compliant, granting the registration required.

CONCLUSION

Working in the marine construction environment, there will always be a number of environmental challenges to overcome.

Having an effective environmental system and continuous environmental awareness training, for all teams involved, made project execution a lot easier. It is vital that every individual on site is conscientious, and that each knows the appropriate response to environmental incidents, such as oil or grout spills. Our aim is to continually improve, and minimise our environmental impact.

QUALITY MANAGEMENT

INTRODUCTION

The EXCO adopted a revised mission “Excellence in Execution”. This mission has three enablers, namely: **energised and engaged employees, flawless execution and client relationships**. To this end, the Quality teams have a particular interest in the flawless execution as the contributing pillars are:

- › Proper Planning Prevents Poor Performance
- › Zero harm
- › Do it right first time
- › Lean culture
- › Relationships with construction partners and supply chain
- › Plant and equipment — our pride
- › Simple, efficient standardised processes and procedures

QUALITY OBJECTIVES

The quality objectives for the year under review were:

- › Improving the operational efficiency on all projects through professional management.
- › Committing to the delivery of a quality product by supporting, implementing and executing the quality management system.
- › Assisting subcontractors and suppliers in improving their performance and the quality of products and/or services delivered.

All the objectives were achieved during the year, but due to their significance, remain as ongoing objectives.

The quality objectives for 2018 are:

- › Emphasising “Flawless Execution” by doing the work on projects correctly the first time.
- › Standardising the quality management system (QMS) within the group.
- › Committing to the successful transition from ISO 9001:2008 to ISO 9001:2015.
- › Continuing to support vendors in understanding the principles of QMS in order to improve their performance.

CHALLENGES, PROGRESS AND ACHIEVEMENTS

CHALLENGES

Business units are required to engage local contractors as well as employ a local workforce in areas within which projects are executed. These requirements are understood and supported and provide opportunities in areas in which we operate.

The 2018 objectives mentioned above were set with these particular challenges in mind.

PROGRESS

ISO TRANSITION PROJECT

The group has initiated an ISO Transition Project which is tasked with the responsibility of guiding the business units in converting the ISO 9001 and 14001 (quality and environmental international standards respectively) certificates to the 2015 standards. The same principles will apply once the OHSAS 18001 certification is converted to the much-anticipated ISO 45001 certification.

The objective is for all business units to be ISO certified (ISO 9001, ISO 14001 and OHSAS 18001/ ISO 45001) by the beginning of the 2020 financial year based on an aligned, standardised document repository kept and maintained on the Sharepoint Portal acknowledging that:

- › At present the ISO implementation maturity differs from business unit to business unit. Therefore a unique road map and change management plan has to be drawn up for each business unit to meet the certification objective.
- › The Sharepoint Portal will be the medium to control and present all documents and records.
- › The future ITC strategy in terms of the interface of the ISO Change Management Plan with a number of existing initiatives, (including present business application software applied) should be clear and supportive.

ACHIEVEMENTS

The notable achievements by the business units are:

BUILDING BUSINESS UNIT

- › Overall Winner and Commercial Architectural Category Winner: Eastgate Phase 2 Refurbishment (submitted by Tass Engineering). Main contractor Stefanutti Stocks Building Gauteng.
- › Safintra Factory and Warehouse Category Winner: Mr Price Distribution Centre. Main contractor Stefanutti Stocks Building KZN.
- › Stefanutti Stocks Building was awarded a Diamond Arrow Award with a mean score of 4,23 out of 5,00.

STRUCTURES BUSINESS UNIT

SAICE 2016 awards winners:

- › Railway and Harbour Engineering winner — Reconstruction and Deepening of Maydon Wharf Berths 1 — 4, 13 and 14. Main contractor — Stefanutti Stocks Axsys Joint Venture.
- › Commendation in International Projects — Senqu River Bridge. Main contractor Stefanutti Stocks Civils.
- › SAFCEC Presidential Award for participation and contribution presented to Stefanutti Stocks Civils.
- › Construction World Highly Commended Senqu River Bridge Project. Main contractor Stefanutti Stocks Civils.

VALUE-ADDED STATEMENT

BASED ON TOTAL OPERATIONS

	2017 %	2017 R'000	2016 %	2016 R'000
CONTRACT REVENUE		9 058 576		9 669 473
Less: Costs of materials, services and subcontractors		(6 065 221)		(5 888 599)
Value added by operations	97,2	2 993 355	98,6	3 780 874
Investment income	1,5	44 864	0,9	34 049
Share of equity-accounted investees	1,3	40 893	0,5	19 040
Total value add	100,0	3 079 112	100,0	3 833 963
Distributed as follows:				
CORPORATE SOCIAL INVESTMENT				
Donations and other community investments	0,1	1 663	0,1	2 722
EMPLOYEES				
Short-term and post-employment benefit costs	94,5	2 911 787	85,8	3 292 470
Share-based payment and forfeitable share plan costs	0,1	1 918	0,1	2 029
PROVIDERS OF FINANCE				
Interest and finance charges	2,8	85 597	1,5	60 422
Operating lease rentals	1,1	33 955	0,6	22 536
GOVERNMENT				
Taxation	1,4	43 554	3,1	120 114
TOTAL VALUE DISTRIBUTED	100,0	3 078 474	91,3	3 500 293
REINVESTED IN THE GROUP	—	638	8,7	333 670
Reserves available to ordinary shareholders	—	(137 068)	4,8	182 317
Depreciation	—	137 706	3,9	151 353
	100,0	3 079 112	100,0	3 833 963
VALUE-ADDED RATIOS				
Number of employees		10 412		10 476
Contract revenue per employee (rand)		870		923
Value created per employee (rand)		296		366

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

ABBREVIATIONS AND DEFINITIONS

“B-BBEE”

Broad-based black economic empowerment

“CC”

Close corporation

“CEO”

Chief Executive Officer

“CESA”

Consulting Engineers South Africa

“CIDB”

The Construction Industry Development Board

“CPD”

Continued professional development

“ED”

Enterprise development

“EME”

Emerging micro enterprise

“EMS”

Environmental Management System

“EXCO”

Executive Committee

“HR”

Human resources

“ISO”

International Standards Organisation

“ICT”

Information communication technology

“LTI”

Lost-time injury

“LTIFR”

Lost-time injury frequency rate

“M&E”

Mechanical and Electrical

“MQA”

Mining Qualifications Authority

“OHS”

Occupational health and safety

“OP”

Operating procedure

“PDCA”

Plan, do, check and act

“QMS”

Quality management systems

“QSE”

Qualifying small enterprise

“RCR”

Recordable case rate

“RPM”

Roads, Pipelines and Mining Services

“SED”

Socio-economic development

“SETA”

Skills Education Training Authorities

“SHEQ”

Safety, health, environment and quality

“SP”

System procedure

“the current year”

The financial year ended 28 February 2017

“the next year”

The financial year ended 28 February 2018

“the previous year”

The financial year ended 29 February 2016

“VFL”

Visible felt leadership

“VRP”

Voluntary Rebuild Programme

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

FACSIMILE

+27 11 976 3487

DIRECTORS

As at 13 July 2017: KR Eborall * (Chairman); NJM Canca *;
ZJ Matlala *; T Eboka *; LB Sithole *; HJ Craig *; ME Mkwanazi *;
JWLM Fizelle * (alternate to LB Sithole); DG Quinn;
W Meyburgh (CEO); AV Coccianti (CFO)

* Independent Non-executive Directors

COMPANY SECRETARY

WR Somerville
20 Lurgan Road, Parkview, 2193
Telephone number: +27 11 326 0975

AUDITORS

Mazars
Mazars House, 54 Glenhove Road, Melrose Estate, 2196
PO Box 6697, Johannesburg, 2000
Telephone number: +27 11 547 4000

ATTORNEYS

Webber Wentzel
90 Rivonia Road, Sandton, Johannesburg, 2196
PO Box 61771, Marshalltown, 2107
Telephone number: +27 11 530 5000

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
PO Box 61051, Marshalltown, 2107
Telephone number: +27 11 370 5000

SPONSOR

Bridge Capital Advisors (Pty) Ltd
2nd Floor, 27 Fricker Road, Illovo Boulevard, Illovo, 2196
PO Box 651010, Benmore, 2010
Telephone number: +27 11 268 6231

BANKERS

Nedbank Limited
The Standard Bank of South Africa Limited
Absa Bank Limited
Bidvest Bank Limited
First National Bank, a division of FirstRand Bank Limited
Nedbank Swaziland
Standard Chartered Bank
Emirates NBD
First Gulf Bank
HSBC Middle East
Banco Unico
Banco Comercial e de Investimentos
Banco Internacional de Moçambique
Standard Bank Mozambique
United Bank for Africa

WEBSITE

www.stefanuttistocks.com

excellence in execution

WWW.STEFANUTTISTOCKS.COM