

---

# SUSTAINABILITY REPORT '18



excellence in execution

---

# CONTENTS

<b>COMPANY PROFILE</b>	<b>2</b>
<b>SUSTAINABLE DEVELOPMENT GOALS</b>	<b>4</b>
<b>GROUP MANAGEMENT SYSTEM FRAMEWORK</b>	<b>5</b>
<b>STAKEHOLDER ENGAGEMENT</b>	<b>6</b>
<b>MATERIAL ISSUES</b>	<b>8</b>
<b>VALUE-ADDED STATEMENT</b>	<b>9</b>
<b>GROUP PERFORMANCE REVIEW</b>	<b>10</b>
<b>ENERGISED AND ENGAGED EMPLOYEES</b>	<b>12</b>
<b>FLAWLESS EXECUTION</b>	<b>32</b>
<b>CLIENT RELATIONS</b>	<b>44</b>
<b>ADDITIONAL INFORMATION</b>	<b>46</b>
<b>ABBREVIATIONS AND DEFINITIONS</b>	<b>53</b>
<b>CORPORATE INFORMATION</b>	<b>54</b>

All policy statements referred to in this document can be found on the group's website: [www.stefanuttistocks.com](http://www.stefanuttistocks.com).

---

# ABOUT THIS REPORT

## SCOPE AND BOUNDARY

The sustainability report comprises the operations of Stefanutti Stocks Holdings Limited and its subsidiaries (the company, the group or Stefanutti Stocks) for South Africa only. The information in this report covers the performance of the company for the year ended 28 February 2018 and, where relevant, information post year-end, has been incorporated.

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

This report was prepared in accordance with the requirements of the South African Companies Act, No. 71 of 2008, as amended (the Companies Act), the Listings Requirements of the JSE Limited (JSE), the principles of the King IV Report on Corporate Governance™ for South Africa 2016 (King IV), the International Integrated Reporting Council's International Framework as well as the company's Memorandum of Incorporation. This report also takes guidance from the Global Reporting Initiative Guidelines and Standards.

The Stefanutti Stocks integrated annual report, as well as the comprehensive annual financial statements and investor presentations for the year ended 28 February 2018, are available on the company's website.

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

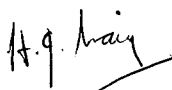
## MATERIALITY

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

## FORWARD-LOOKING STATEMENTS

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

Investors/shareholders are cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements are based on Stefanutti Stocks's current expectations and involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such forward-looking statements. These statements are based on a number of assumptions that are subject to change. The sustainability report includes only matters up to the date of this report and the period reported on. Stefanutti Stocks disclaims any duty to update the information herein.



**Howard Craig**  
Chairman of the Social and Ethics Committee  
20 June 2018

## Stefanutti Stocks way



### Energised & 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 & 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

## 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 & cash focus** generates financial returns for all stakeholders

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

---

# COMPANY PROFILE

**Stefanutti Stocks is one of South Africa's leading engineering and construction groups and has been listed on the JSE Main Board in the "Construction and Materials — Heavy Construction" sector since 2007.**

The group offers highly diversified services across a wide spectrum of engineering and construction disciplines. The focus areas of the group comprise concrete structures, marine construction, piling and geotechnical services, roads and earthworks, bulk pipelines, open-pit contract mining and surface mining related services, all forms of building works, including affordable housing, and mechanical and electrical installation and construction.

All group operations are registered with the Construction Industry Development Board (CIDB) as a Category 9 Contractor, which places no limitations on the project size for which the group can tender. Furthermore, the group is also ISO 9001, ISO 14001 and OHSAS 18001 certified.

The group operates in South Africa, sub-Saharan Africa, including Botswana, Ghana, Guinea, Kenya, Lesotho, Mozambique, Namibia, Nigeria, Swaziland, Tanzania, the United Arab Emirates, Zambia and Zimbabwe, in both the private and public sectors. Clients include governments, state-owned companies, local authorities, large industrial entities, mining corporations, financial institutions and property developers.

Stefanutti Stocks's headquarters are based in Kempton Park, Gauteng and it employs a global workforce of 10 485 with 7 022 employees throughout South Africa.

## VALUES

### **Candour**

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

### **Accountability**

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

### **People relations**

The value, which causes people to treat one another fairly and with respect, and to always be mindful of the human dignity of others.

### **Professionalism**

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

### **Excellence**

A passionate mind-set that puts quality at the forefront of all business activity.

### **Dynamism**

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

## PROFILE

Regional operations  
in Africa and United  
Arab Emirates

CIDB Category  
**9** Contractor

**10 485** global workforce

**7 022** employees across  
South Africa

## VISION

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

## MISSION

**excellence**  
in **execution**

— We continue to create sustainable partnerships with all stakeholders through a values-driven culture. This is accomplished by setting and achieving measurable key objectives to support sustainable earnings growth. At the same time, maintaining a sound financial position and implementing key non-financial objectives to support our growth strategy.

**Key:** Shaded countries on the map indicate our operational footprint.

# SUSTAINABLE DEVELOPMENT GOALS

On 25 September 2015, at the United Nations Sustainable Development Summit, more than 150 world leaders adopted a set of goals to end poverty, protect the planet and ensure prosperity for all, as part of a new sustainable development agenda. On reviewing our various sustainability initiatives, we have established a link between what the sustainable development goals seek to achieve, the suggested actions and some of our current initiatives. It is for this reason that we have included these goals to ensure they continually guide our actions and contribution to the bigger world agenda.





# GROUP MANAGEMENT SYSTEM FRAMEWORK

## EXECUTIVE COMMITTEE

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.

### Sustainability Committee

Chairman — Mike Sikhakhane

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

### Human Resources

Chairman — Mike Sikhakhane

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

### Transformation

Chairman — Mike Sikhakhane

Assisting the group in ensuring that appropriate strategies, policies, processes and the necessary implementation measures are in place to achieve the group's transformation objectives.

### Quality

Chairman — Russell Crawford

Align and consolidate group quality systems, processes, documentation and certification. Make documents and other information available electronically on a SharePoint Portal to all staff in a simple, effective and efficient manner.

### Procurement

Chairman — Russell Crawford

Promote better cooperation, sharing of information and alignment of processes between divisions and business units to improve the centralising of information, saving on costs and preferential procurement for all buying operations.

### Plant

Chairman — Russell Crawford

Simplify and apply standardisation principles to procedures, policies and managerial tools, thus ensuring effective synergies between core plant activities.

### Occupational Health, Safety and Environment

Chairman — Vince Olley

Establish EMS and OHS MS; ensure EMS and OHS MS core processes are documented on the SharePoint portal and also:

- › Monitor, measure, analyse and evaluate core processes.
- › Investigate incidents, nonconformity and corrective action core processes.

### Information Technology

Chairman — Mark Snow

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

### Africa Coordination

Chairman — Mark Snow

To coordinate the regulatory and administrative compliance within Africa and to share best practices from African countries within which the group operates. This is achieved through providing a source of cross-border experiences, knowledge acquired, current practice and actively partaking in knowledge sharing.

Areas of concern and uncertainties are addressed, and plans developed with a focus to have a unified, standard approach to working in Africa.

### International/Africa Strategy

Chairman — Willie Meyburgh

The forum focuses on the identification and coordination of potential work opportunities within the Africa region.

The forum comprises the group's senior business development directors and knowledge is shared across all countries in Africa in a multi-disciplinary manner, to fast-track any potential contract leads.

---

# STAKEHOLDER ENGAGEMENT

## EMPLOYEES

The group's employee engagements and communications ensure meaningful interaction with all employees across the group, and management uses both formal and informal structures of engagement.

Formal structures include functional forums, consisting of business unit representatives and subject matter experts with the knowledge and experience to align the group's internal functions with its business strategy, and standard policies and procedures. The group has similar forums on a smaller scale within each business unit and division.

Employee engagement also occurs as part of the employment cycle. After the recruitment phase, the first form of engagement takes place during employees' monthly group induction sessions. These are structured to provide new employees with an overview of the group, its internal organisational structure and standard policies and procedures, and act as an introductory session when selecting pension fund and medical aid options.

In addition, one-on-one employee engagements are scheduled, whereby individual sessions with employees address issues such as personal development and training, performance, and career progression. The outcomes of these sessions also serves to inform the group's succession and training plans.

Employees leaving the group's employ are encouraged to complete an exit interview and, where necessary, further engagements are arranged to address highlighted concerns.

Regarding health and safety, the group has made a concerted effort to modify its culture from one of compliance and hard-lined management control to one which encourages greater personal involvement, acceptance and responsibility. This is achieved through the introduction of leadership engagement (LE) and visible felt leadership (VFL). Both initiatives aim for two-way communication, creating an opportunity for employees to participate in problem solving, while also creating a better understanding of current issues.

In 2018, the group conducted an employee engagement survey on a sample of employees to determine their levels of engagement in respect of key strategic issues affecting the group. The survey also provided feedback from employees on possible areas for improvement. An external group conducted the survey and focus areas included safety, quality, transformation, productivity, communication and systems, among others.

While there are certain issues to address, it is commendable that most employees surveyed are engaged with the company, its procedures and values. The relevant suggestions and concerns raised have been discussed with employees, and action plans are being developed at business unit level.

## COMMUNITIES

Regular community forums are scheduled whereby representatives from senior operational management meet with community leaders to discuss project progress, resource requirements, and to address any of their concerns.

It has become increasingly prevalent, particularly in rural areas, for project tender documentation to specify and outline the requirement for community involvement. In most instances, a Community Liaison Officer (CLO) must be appointed from the local community to assist with the day-to-day coordination of these requirements, and to act as community spokesperson.

Where possible, local communities have the opportunity to participate in certain group projects as subcontractors and suppliers. Local community representatives are engaged during the day-to-day operational management of such projects, and participate in subcontractor and supplier meetings, as well as toolbox talks and planning sessions.

The Department of Labour is the primary source to access records of local community members, to identify individuals with the requisite skills and experience, in order for them to be employed on one of the group's projects. The CLO and local community leaders play an essential role in recruitment, and ensure that the group can demonstrate fairness and objectivity during the process.

## CLIENTS

The group strives to build and develop client relationships through a steady process of engagement. For further detail refer to page 44 of this report.

Occupational health, safety and the environment (OHSE) is a major focus of clients. This is addressed as follows:

- › Tracking clients' OHSE statistics to meet their tender qualification standards.
- › Attending clarification meetings on projects to discuss clients' OHSE specifications.
- › Participating in all client OHSE forums in order to be engaged with clients' requirements.
- › Setting up internal OHSE committees of large clients to align with the group's processes.
- › Ensuring that OHSE is a standing agenda item at all client interventions, and all meetings commence with a safety moment or incident recall.
- › Frequently presenting its management framework to client representatives.
- › Tracking and evaluating identified clients' sustainability reports annually to ensure an understanding of clients' focus areas.
- › Attending client feedback meetings and formal enquiries in terms of OHSE and quality aspects to ensure the development and continual improvement of client relationships.



## **SUPPLIERS**

Suppliers are engaged through regular meetings where notable issues are tabled and discussed. Where specific subjects are discussed, key invitees and optional attendees are engaged. The process results in management teams of both the supplier and the group being informed of focus areas to ensure progress on key performance objectives.

## **ENTERPRISE DEVELOPMENT (ED) PARTNERS**

The group's ED strategy is to foster strong working relationships with competent black-owned companies, to develop them in a measurable and meaningful way, and to support their sustainability, while at the same time increasing their capacity to execute larger, complex projects.

To this end, the group's robust ED programme is implemented and managed by the individual business units. Business unit management teams are tasked with identifying and selecting the most appropriate ED partner beneficiaries to synergise with group operations. For more information on the group's ED approach and activities, see page 22.

## **VRP PARTNERS**

The key objective of the Voluntary Rebuild Programme (VRP) is to transform the South African construction industry by developing selected black-owned emerging enterprises into meaningful and sustainable members of the industry. In 2017, Stefanutti Stocks identified two emerging enterprises, namely Axsys Projects (Pty) Ltd and TN Molefe Construction (Pty) Ltd. Whilst discussions with Axsys Projects (Pty) Ltd have been concluded, the group is in the final stages of negotiations with TN Molefe Construction (Pty) Ltd. The VRP is discussed in further detail on page 21.

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

The group's application of, and compliance with, the Johannesburg Stock Exchange's (JSE) Listings Requirements, the Companies Act and King IV is managed largely through the company secretarial and finance functions, and is overseen by the various board committees.

## **TRADE UNIONS**

Every employee has the right to join a trade union. Every member of a trade union has the right to participate in its lawful activities and elect office bearers or trade union representatives. Collective bargaining takes place within the construction industry and negotiations are dealt with at a national bargaining council level. Bargaining councils deal with collective agreements, solve labour disputes, establish various benefit schemes and make proposals on labour policies and laws. Due to the group's diverse operating businesses, each business unit operates in industry-specific bargaining councils such as the metal engineering industry, civil engineering and building industry bargaining councils.

## **SHAREHOLDERS AND INVESTORS**

Stefanutti Stocks informs its various shareholders and investors of the financial status of the group via its announcements released on the Stock Exchange News Service (SENS) of the JSE, and via the circulation of printed financial year-end and interim results and reports, as well as electronic copies, group presentations and business unit-specific site visits and meetings.

Presentations are made by the executive directors to staff, the media, institutional investors and analysts with regards to the group's performance and strategic progress.

Company information including presentations, corporate actions and financial results, as well as information concerning its management, history, operations and various other matters of interest, is available on the group's website.

# MATERIAL ISSUES

Stakeholder	Material issues	Potential impact on the business	Strategy/action
<b>Employees</b>	<ul style="list-style-type: none"> <li>› Consistent application of practices and policies</li> <li>› Fair remuneration practices</li> <li>› Communication and feedback</li> <li>› Training and development</li> <li>› Transparency</li> </ul>	<ul style="list-style-type: none"> <li>› Disengaged employees</li> <li>› Low morale</li> <li>› Reputational damage</li> <li>› Negative employee relations</li> <li>› Compromised quality of work</li> </ul>	<ul style="list-style-type: none"> <li>› Communication and ongoing engagement initiatives</li> <li>› Roll-out of the Stefanutti Stocks Way and Founder's Mentality</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>› Employment opportunities</li> <li>› Transfer of skills/training</li> <li>› Economic participation</li> <li>› Contribution to infrastructure</li> <li>› Unrealistic expectations</li> </ul>	<ul style="list-style-type: none"> <li>› Unrest, work stoppages and strikes by company employees and/or the community</li> <li>› Politically-driven unrest</li> <li>› Criminal-driven disturbances</li> <li>› Impact on employees' safety and damage to property</li> <li>› Impacts on profitability of project if new community suppliers are introduced to the supply chain after tender is awarded</li> <li>› Possible cancellation of projects due to continuous unrest</li> <li>› Corruption of role-players</li> <li>› Impacts on the relationship between client and contractor, where poor role clarity exists on responsibility of addressing these issues</li> <li>› Reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>› Education and awareness of the client around community involvement</li> <li>› Education and awareness creation of own employees to deal with community engagement and unrest</li> <li>› Engagement with the community prior to and during projects, to determine expectations and address concerns</li> <li>› Employment of Community Liaison Officers</li> <li>› Information gathering/intelligence</li> <li>› Localisation clauses in contractor and sub-contractor agreements to ensure employment and supplier involvement of local communities</li> <li>› Application for urgent interdicts; engaging the police and external security companies</li> </ul>
<b>Clients</b>	<ul style="list-style-type: none"> <li>› Occupational health, safety and the environment</li> <li>› Quality, price and time</li> <li>› Environmental management and compliance</li> </ul>	<ul style="list-style-type: none"> <li>› Reputational damage</li> <li>› Penalties and loss of work</li> <li>› Loss of competitiveness</li> <li>› Prosecution and fines</li> </ul>	<ul style="list-style-type: none"> <li>› Engage with client forums</li> <li>› External, internal and client audits</li> <li>› Certified management systems</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>› Lack of long-term business continuity planning</li> <li>› Dealing with good corporate citizenship</li> <li>› Product support deterioration due to skills drain</li> </ul>	<ul style="list-style-type: none"> <li>› Downtime of equipment and loss on man-hours</li> <li>› Contributes to reduction in machinery uptime</li> </ul>	<ul style="list-style-type: none"> <li>› Dedicated supplier engagement process</li> <li>› Event horizon planning and milestone targets</li> <li>› Dedicated intervention plans to ensure machinery uptime</li> </ul>
<b>ED partners</b>	<ul style="list-style-type: none"> <li>› Effective development and support</li> <li>› Sustainable access to the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>› Loss of competitive edge</li> <li>› Impact on B-BBEE scorecard</li> <li>› Loss of business sustainability</li> </ul>	<ul style="list-style-type: none"> <li>› Continual improvement of development programme and selection of partners</li> </ul>
<b>VRP partners</b>	<ul style="list-style-type: none"> <li>› Development of systems and procedures to support growth</li> </ul>	<ul style="list-style-type: none"> <li>› Non-compliance to the provisions of the Settlement Agreement</li> </ul>	<ul style="list-style-type: none"> <li>› Strategic initiatives to drive development with partners</li> </ul>
<b>Trade unions</b>	<ul style="list-style-type: none"> <li>› Fair labour practice</li> <li>› Compliance</li> </ul>	<ul style="list-style-type: none"> <li>› Labour unrest</li> <li>› Negative employee relations</li> </ul>	<ul style="list-style-type: none"> <li>› Constant monitoring and review of policies, procedures and relevant labour-related legislation</li> <li>› Compliance</li> <li>› Improved communication</li> </ul>
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>› Return on investment</li> </ul>	<ul style="list-style-type: none"> <li>› Shareholders disinvestment</li> <li>› Business sustainability</li> </ul>	<ul style="list-style-type: none"> <li>› Align strategy with shareholder expectations</li> </ul>
<b>The JSE, industry bodies and government regulators</b>	<ul style="list-style-type: none"> <li>› Compliance with relevant legislation and regulations</li> </ul>	<ul style="list-style-type: none"> <li>› Non-compliance can impact business activities</li> </ul>	<ul style="list-style-type: none"> <li>› Continuous update and training on regulatory requirements</li> </ul>

# VALUE-ADDED STATEMENT

BASED ON TOTAL OPERATIONS	2018 %	2018 R'000	2017 %	2017 R'000
CONTRACT REVENUE		10 415 481		9 058 576
Less: Costs of materials, services and subcontractors		(7 891 897)		(6 065 221)
Value added by operations	96,5	2 523 584	97,2	2 993 355
Investment income	1,9	49 113	1,5	44 864
Share of equity-accounted investees	1,6	41 388	1,3	40 893
Total value add	100,0	2 614 085	100,0	3 079 112
Distributed as follows:				
CORPORATE SOCIAL INVESTMENT				
Donations and other community investments	0,1	2 455	0,1	1 663
EMPLOYEES				
Short-term and post-employment benefit costs	89,7	2 639 606	94,5	2 911 787
Share-based payment and forfeitable share plan costs	0,1	2 744	0,1	1 918
PROVIDERS OF FINANCE				
Interest and finance charges	2,8	82 842	2,8	85 597
Operating lease rentals	5,1	149 417	1,1	33 955
GOVERNMENT				
Taxation	2,2	64 606	1,4	43 554
TOTAL VALUE DISTRIBUTED	100,0	2 941 670	100,0	3 078 474
REINVESTED IN THE GROUP	—	(327 585)	—	638
Reserves available to ordinary shareholders	—	(503 599)	—	(137 068)
Depreciation	—	176 014	—	137 706
	100,0	2 614 085	100,0	3 079 112
Value-added ratios				
Number of employees		10 485		10 412
Contract revenue per employee (rand)		993		870
Value created per employee (rand)		249		296

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

# GROUP PERFORMANCE REVIEW

Performance indicator	Definition	Measurement	2018	2017
<b>Economic</b>				
Revenue	Revenue is the income that the group generated from its normal business activities	R'000	10 490 631	9 149 604
Loss attributable to equity holders	The portion of consolidated profit or loss for the period, net of income taxes, which is attributable to the parent	R'000	(503 599)	(137 068)
Loss per share	Earnings/(loss) per share is calculated by dividing net earnings by the total number of common shares outstanding	cents	(294,94)	(79,34)
Headline earnings per share	Headline earnings are a measurement of a company's earnings based solely on operational and capital investment activities	cents	90,35	10,94
Net asset value (NAV)	NAV is the value of an entity's assets minus the value of its liabilities	R'000	6 417 417	6 567 098
NAV per share	NAV dividend by the number of shares outstanding	cents	1 111,93	1415,60
<b>Employees</b>				
Total number of employees RSA operations	Number of employees in RSA	Number	7 022	8 017
Total number of black employees	Number of black employees in RSA	Number	6 217	7 062
Training and development spend	Rand value of training spend in RSA	Rm	27,3	18,6
% of spend in South Africa on black (African, Coloured, Indian) employees	Percentage of training spend on black employees in RSA	% of total	85,70	81,78
Total number of bursaries, learnerships and apprentices	Number of bursaries, learnerships and apprentices in RSA	Number	246	203
Black bursaries, learnerships and apprentices	Percentage black bursaries, learnerships and apprentices in RSA	% of total	87,8	74,9
Black women bursaries, learnerships and apprentices	Percentage black female bursaries, learnerships and apprentices in RSA	% of total	26,0	22,7
<b>Transformation and local economic development</b>				
B-BBEE rating based		Generic Codes	4	4
SA-based black employees	Percentage of black employees in RSA	% of total SA employees	88,5	88,1
SA-based women	Percentage of females employees in RSA	% of total SA employees	14,1	11,9
SA-based black managers and supervisors	Percentage of black managers and supervisors in RSA	% of total SA employees	15,4	14,5
SA-based female managers and supervisors	Percentage of black female managers and supervisors in RSA	% of total SA employees	2,5	1,7
Corporate Social Investment (CSI) in community programmes	CSI encompasses projects that are external to the normal business activities of a company and not directly for purposes of increasing company profit	R'000	2 455	1 663
Enterprise Development		R'000	5 797	5 291

Performance indicator	Definition	Measurement	2018	2017
<b>Health</b>				
Noise induced hearing loss (NIHL)	Loss of hearing caused by the employees' occupation	Number of cases referred to a doctor	19	192
Number of random drug tests	Surveillance measurement in terms of the company's substance abuse policy	Number of drug tests	1 398	1 347
% of random drug tests that were positive	Result of test done where employees were identified as using a substance	Percentage of total	3,9	6
TB questionnaires completed	Surveillance measurement in terms of the company's dreaded disease policy	Number of TB questionnaires completed	2 867	2 805
Number of TB cases	Result of test done where employees were identified with TB	Number of cases referred to a doctor	19	7
<b>Safety</b>				
Fatalities	Any work-related death caused during the employees' occupation	Number of fatalities	1	—
Lost-time injury rate	Any work-related injury where the person lost productive days caused during the employees' occupation	Lost-time injury frequency rate	0,11	0,10
Total recordable case rate	Any work-related injury where the person received medical treatment from an occupational health practitioner caused during the employees occupation	Recordable case rate	0,54	0,70
OHSAS 18001 Management System	An international standard for occupational health and safety management systems	% of certified management systems within the organisation	100	100
<b>Environmental</b>				
Major environmental deviation frequency rate	Number of major non-conformances and significant incidents in relation to total man-hours worked	Deviation frequency rate	0,36	N/A
ISO 14001 Management System	An international standard for environmental management systems	Percentage of certified management systems within the organisation	75	75
Legal summons received	Any official legal instruction received from the national prosecutor for environmental transgressions	Number of summonses received	—	—
Scope 1	Carbon emissions for non-renewable resources used	tonnes	83 400	57 025
Scope 2	Carbon emissions for electricity used from the national grid	tonnes	3 641	3 713

# ENERGISED AND ENGAGED EMPLOYEES

## INVOLVED WITH OUR PEOPLE

### INTRODUCTION

Stefanutti Stocks is recognised as a responsible and ethical employer in the construction sectors of South Africa and sub-Saharan Africa. The group promotes a culture based on its entrepreneurial spirit and the pursuit of high levels of performance.

The company's culture of investing in its people provides a framework for the personal growth and development of its employees, who are empowered to take responsibility, accountability and ownership of their respective roles.

As an employer of choice, the group attracts a skilled workforce that is energised by the challenges and opportunities of the construction industry. To ensure the transfer of knowledge and skills, the group's workforce is guided by an experienced management team.

To foster a culture based on superior performance, the human resources (HR) function of the group focuses on the well-being of employees, as well as training and development, recognition and reward.

### CURRENT KEY FOCUS AREAS

Key focus areas for the year were to:

- › Drive the philosophy of the Founder's Mentality and the Stefanutti Stocks Way throughout the group.
- › Assess the levels of employee engagement and develop plans to address any identified areas of concern.
- › Manage talent initiatives for improved performance management and succession planning.
- › Provide group-wide training through the accredited Stefanutti Stocks Academy. Refer to the training section.
- › Optimise training spend by consolidating common group training initiatives.
- › Focus on transformation in terms of EE and B-BBEE. Refer to the transformation section.
- › Enhance HR processes and systems to operate more efficiently and provide an improved HR service to current and future employees. Initiatives include improving the Employee Self-Service system. A new and improved recruitment platform, which allows for online application via various platforms, including social media.
- › Implement cross-border policies and procedures, including wellness programmes, for expatriate employees.
- › Improve the group's Employee Wellness programmes and benefits.

### Employee Wellness Programme

The group ensures that its employees have access to a specialised third party to provide them with a professional Employee Wellness Programme, ensuring health and well-being in the workplace and at home.

The programme comprises the following services:

- › **Telephone counselling** — to assist employees dealing with day-to-day challenges such as stress, substance abuse, or relationship difficulties at home or at work.
- › **Face-to-face counselling** — provided by an appropriate professional, at a convenient time and place.
- › **Trauma counselling** — provided to groups or individual employees where necessary, and deals with events such as hijacking, robbery, loss of family members and safety incidents on site.
- › **Financial advice** — this service assists employees with financial matters, such as budgeting, debt management, basic financial planning and garnishee orders.
- › **Legal advice** — offers employees access to telephonic legal advice on matters such as marital law, maintenance and custody law, as well as contract-related issues.

The programme is provided free to employees, is confidential and available on a 24/7, 365 days basis.

For the year under review, the top intervention methods were once again: professional counselling at 56,5%; operational administrative services at 18,3%, which includes service queries, clinical information and family care information, and life management at 16,7%.

Stress-related issues remained the most prevalent problem cluster and related mostly to personal matters. Of the points of care accessed during the year, over 80% have been resolved. Overall engagement has decreased to 3,4% during the year, after increasing to 3,9% in the previous year.

### Medical Surveillance Programme

The company's designated medical services provider operates in terms of a service level agreement with the group. Medical surveillance services include the following:

- › Health risk assessments.
- › Pre-employment medical screenings that facilitate the placement of workers according to job specifications.
- › Medical examinations, including annual, exit and ad hoc examinations to assist with health issues are recorded and reported in terms of legislative requirements.
- › Follow-ups, referrals and administration on the health of the workforce are managed.
- › Employee education on general health and workplace risks.
- › Chronic disease management for employees including Tuberculosis and HIV/Aids.

### Employee benefits

The company ensures that its approach to remuneration and benefits aligns with market trends and best practice wherever possible. Stefanutti Stocks reviews its remuneration policy and the market, to ensure that employees are rewarded fairly within the legislative requirements.

The group provides various benefits to employees, based on their employment status.

## PARENTAL LEAVE

Gender	Employees entitled to parental leave	Employees taking parental leave	Employees returning to work immediately after parental leave	Employees that were still employed 12 months after taking parental leave
<b>Female</b>	989	38	38	36
<b>Male</b>	6 033	78	78	57
	7 022	116	116	93

The benefits for permanent and temporary employees in South Africa are listed below. All employee retirement benefits are offered based on defined contribution plans.

### PERMANENT EMPLOYEES

- › Retirement benefits
- › Medical aid (compulsory for salaried employees only)
- › Death and disability cover
- › Funeral cover
- › Educational benefits
- › Repatriation benefits
- › Various support systems

### TEMPORARY EMPLOYEES

- › Accidental death and disability cover
- › Funeral cover

In terms of the Basic Conditions of Employment Act, the company's employees are entitled to annual, sick, family responsibility and maternity leave. In certain instances, additional leave days are allocated, based on collective bargaining agreements and the group's policies and procedures. Study leave is allocated where applicable to support the development of employees.

Parental leave refers to maternity leave and family responsibility when a child is born. All 7 022 employees in South Africa are entitled to parental leave. For the year under review, the company had a 100%, return-to-work rate and a retention rate of 80,2%.

Expatriate remuneration and benefits are determined by host country legislation and supplemented by the group's standardised policies and procedures in South Africa.

## MANAGEMENT APPROACH

Employment and labour relations within the group are governed by the relevant labour legislation, company policies and procedures, and collective bargaining agreements. Minimum notice periods for termination of employment due to operational requirements are regulated by the Labour Relations Act.

The company complies with the principles of the United Nations Global Compact for Human Rights and Labour. Furthermore, Stefanutti Stocks is committed 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. No cases or complaints relating to human rights violations and/or abuse were reported or recorded, for the period under review.

The group adheres to the provisions of the employment equity legislation, specifically the promotion of equality and the removal of unfair discrimination practices in the workplace. The company accepts its responsibility to continually assess and review the work environment, policies, procedures and practices to ensure the promotion of equality, and alignment with any relevant changes in legislation. Measures are in place to ensure that subcontractors uphold these principles, more specifically with regard to the use of child labour. The Human Resource and Transformation Forums meet on a monthly basis to review any areas of possible non-compliance.

Two cases of discrimination and one of sexual harassment were registered during the year. The necessary disciplinary enquiries were held, with appropriate action taken in line with the company's disciplinary code.

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

At an industry level, Stefanutti Stocks is an active participant, and engages with the relevant industry associations. The group is a member of the following industry associations:

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

Further to its participation and membership, the group provides additional funding to SAFCEC by financing specific projects, and providing human resources. This allows the company to actively influence and enhance the future of the construction industry.

In total, 52,8% of hourly paid employees are union members, and are represented by the following unions:

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

Hourly paid employees account for 73,9% of the group's total staff complement, and fall under the following bargaining councils with collective agreements in place:

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



## ENERGISED AND ENGAGED EMPLOYEES

continued

Employees are provided with company policies and procedures during their induction, on employment. These documents are made available in both hard and soft copy, via the group's relevant HR departments or the online electronic portal.

## PERFORMANCE

### Staff complement

The group's total staff complement for the year under review was 10 485 employees, excluding temporary employment service employees. 7 022 employees were locally based, while 3 463 were based outside of South Africa. A further 760 temporary employment service employees were engaged locally, while 465 were engaged outside of South Africa.

The group's staff complement fluctuates due to the specific requirements and durations of its projects. Calculated on total headcount, avoidable employee turnover for the year was 10,1%. The appointment percentage of new employees, including those employed on limited duration contracts, was 35,9% of the company's total headcount.

Certain operational requirements are provided by various subcontractors.

## FUTURE KEY FOCUS AREAS

To ensure that employees are engaged and energised, the medium- and long-term focus areas include:


- › Ongoing focus on the Founders' Mentality and employee engagement programmes.
- › Continued implementation of performance management.
- › Ensuring that the company has the right people in the right places.
- › Developing our people:
  - » Enhancing leadership development and succession programmes.
  - » Implementing a formalised mentorship programme.
  - » Improving Stefanutti Stocks Academy to deliver on high quality skills development programmes.
- › Promoting a transformed and diverse organisation.
- › Ongoing process and system optimisation initiatives.

### TOTAL HEADCOUNT PER BUSINESS UNIT FOR RSA OPERATIONS

#### Construction & Mining

'18		5 233
'17		5 538
'16		5 302

#### Building

'18		1 403
'17		2 031
'16		1 902

#### Mechanical & Electrical

'18		332
'17		399
'16		732

#### Corporate Services

'18		54
'17		49
'16		47

### TOTAL HEADCOUNT FOR ALL OPERATIONS VS RSA OPERATIONS

#### All operations (RSA and foreign operations)

'18		10 485
'17		10 412
'16		10 476

#### Foreign operations 2018

##### Foreign employee headcount

Botswana	113
Guinea	239
Kenya	23
Mozambique	1 038
Namibia	53
Nigeria	216
Swaziland	674
United Arab Emirates	542
Zambia	565
<b>TOTAL</b>	<b>3 463</b>

##### Foreign temporary employee services

Ghana	205
Kenya	260
<b>TOTAL</b>	<b>465</b>

#### RSA operations

'18		7 022
'17		8 017
'16		7 983

## HEADCOUNT BY APPOINTMENT TYPE, EMPLOYMENT TYPE AND GENDER: SOUTH AFRICAN OPERATIONS

	2018	%	2017	%	2016	%
<b>PERMANENT EMPLOYEES</b>	<b>3 977</b>	<b>56,6</b>	4 094	51,1	4 221	52,9
Youth (18 to 34 years)	<b>1 168</b>	<b>29,4</b>	1 381	33,7	1 542	36,5
— Male	<b>3 434</b>	<b>48,9</b>	3 591	44,8	3 718	46,6
— Female	<b>543</b>	<b>7,7</b>	503	6,3	503	6,3
<b>CONTRACT EMPLOYEES</b>	<b>3 045</b>	<b>43,4</b>	3 923	48,9	3 762	47,1
Male	<b>2 599</b>	<b>37,0</b>	3 472	43,3	3 306	41,4
Female	<b>446</b>	<b>6,4</b>	451	5,6	456	5,7
<b>TOTAL EMPLOYEES</b>	<b>7 022</b>	<b>100,0</b>	8 017	100,0	7 983	100,0
<b>EMPLOYMENT TYPE</b>						
Salaried	<b>1 831</b>	<b>26,1</b>	1 970	24,6	2 092	26,2
Hourly paid	<b>5 191</b>	<b>73,9</b>	6 047	75,4	5 891	73,8
<b>Male</b>	<b>6 033</b>	<b>85,9</b>	7 063	88,1	7 024	88,0
Salaried	<b>1 363</b>	<b>19,4</b>	1 515	18,9	1 616	20,2
Hourly paid	<b>4 670</b>	<b>66,5</b>	5 548	69,2	5 408	67,7
<b>Female</b>	<b>989</b>	<b>14,1</b>	954	11,9	959	12,0
Salaried	<b>468</b>	<b>6,7</b>	455	5,7	476	6,0
Hourly paid	<b>521</b>	<b>7,4</b>	499	6,2	483	6,0

## TOTAL EMPLOYEE TURNOVER BY TYPE: SOUTH AFRICAN OPERATIONS

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

	2018 terminations	2018 % of total turnover	2017 terminations	2017 % of total turnover	2016 terminations	2016 % of total turnover
Avoidable (resignations, dismissals due to misconduct)	<b>708</b>	<b>20,4</b>	771	18,4	890	15,9
Unavoidable (death, retirements, dismissals due to operational requirements and ill health)	<b>283</b>	<b>8,2</b>	680	16,2	933	16,7
End of contract	<b>2 474</b>	<b>71,4</b>	2 748	65,4	3 770	67,4
	<b>3 465</b>		4 199		5 593	

## DEVELOPING OUR PEOPLE

### INTRODUCTION

The group is committed to empowering its employees through ongoing training and development. The group understands that a talented and diverse workforce is key to delivering on the long-term sustainability of the business. The group further recognises that the continued success of its operations is dependent on attracting, developing and retaining a capable and motivated workforce. Therefore, employee development is an important focus area of the group's employee retention strategy. Improving the knowledge, skills and experience of employees also assists the group in achieving its strategic objectives.

### CURRENT KEY FOCUS AREAS

The skills development objective of each business unit is to prepare and empower employees, allowing them to participate safely and meaningfully in the workplace. Skills development is also a critical contributor to the success of the company's employment equity initiatives. All business units are required to demonstrate that black employees are primary beneficiaries of the programmes offered by the group.

Stefanutti Stocks Academy is Skills Education Training Authorities (SETA) accredited and provides registered skills programmes to the group's business units. The academy develops and registers new skills programmes as needed by the business units, while updating and optimising its existing programmes to ensure that they remain relevant in the ever-changing construction industry.

During the year, the group invested R27,3 million (2017: R18,6 million) into skills development and training, despite challenging economic conditions. The above value excludes employees' salaries while receiving training. See the table on page 17 for details of the group's training spend by race and gender.

### MANAGEMENT APPROACH

#### Professional registration

In addition to legislative registration requirements, employees are encouraged to register professionally in their respective occupational fields. There are currently 153 professionally-registered employees, of whom 66 (43%) are black employees and 26 (17%) are female.

Currently, there are 135 candidates who are gaining the qualifications and experience required to register professionally, of whom 86 (64%) are black employees and 30 (22%) are female.

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

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

The table below reflects professional registrations for the group.

#### Stefanutti Stocks Academy

During the year under review, the group's two SETA-accredited training centres were consolidated into one new training centre, namely Stefanutti Stocks Academy. The academy's various in-house training programmes are accredited by three SETAs, namely: the Mining Qualifications Authority (MQA); the Construction Education and Training Authority (CETA); and the Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA).

The academy incorporates construction skills training, operator training, safety training, and assumes responsibility for a number of staff development programmes.

### PROFESSIONAL REGISTRATIONS

	Candidates						Professionals					Registered in FY2018				
	All	All	Female	Female (%)	Black	Black (%)	All	Female	Female (%)	Black	Black (%)	All	Female	Female (%)	Black	Black (%)
<b>Total RSA citizens</b>	<b>288</b>	<b>135</b>	<b>30</b>	<b>22,2</b>	<b>86</b>	<b>63,7</b>	<b>153</b>	<b>26</b>	<b>17,0</b>	<b>66</b>	<b>43,1</b>	<b>19</b>	<b>4</b>	<b>21,1</b>	<b>9</b>	<b>47,4</b>
Corporate Services	3	—	—	—	—	—	3	1	33,3	—	—	—	—	—	—	—
Construction & Mining	214	111	27	24,3	71	64,0	103	16	15,5	45	43,7	14	4	28,6	9	64,3
Building	58	22	3	13,6	14	63,6	36	6	16,7	19	52,8	5	0	0,0	0	0,0
Mechanical & Electrical	13	2	—	0,0	1	50,0	11	3	27,3	2	18,2	—	—	—	—	—

**TRAINING SPEND STATISTICS BY GENDER AND RACE (EXCLUDING SALARY COSTS)**

R'000	Female				Male				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Bursaries	950	59	325	259	1 090	124	—	163	2 970
Internships	91	—	—	—	55	—	—	—	146
Learnerships	1 269	—	—	—	3 445	350	6	167	5 237
Apprenticeships	208	—	—	—	1 621	180	—	961	2 970
Non-CETA aligned training and seminars	1 475	139	74	303	11 225	491	236	2 040	15 983
<b>Total</b>	<b>3 993</b>	<b>198</b>	<b>399</b>	<b>562</b>	<b>17 436</b>	<b>1 145</b>	<b>242</b>	<b>3 331</b>	<b>27 306</b>
No. of course attendances	631	27	50	91	4 983	294	126	693	6 895

**EMPLOYEES TRAINED**

	Female	Male	Total	% of total trained
African	258	2 198	2 456	82,7
Coloured	12	105	117	3,9
Indian	23	46	69	2,3
White	56	273	329	11,0
<b>Total</b>	<b>349</b>	<b>2 622</b>	<b>2 971</b>	

**TRAINING SPEND**

	Salaried employees	Hourly paid employees	Total
Spend (R'000)	11 018	16 288	27 306
% split	40	60	100

	Construction & Mining	Building	Mechanical & Electrical	Corporate Services	Total
Amount per business unit (R'000)	21 251	4 218	1 631	206	27 306
% split	78	15	6	1	100

	No. of employees	Spend per employee (R)
Training per employee (including employees on limited duration contract)	7 022	3 889

	Number of disabled employees trained	Training spend on disabled employees (R)
Disabled employees	3	32 321



## TRAINING PROGRAMMES

### Bursaries

The bursary scheme offers financial assistance to selected students and employees, to further their development at recognised educational institutions. The following bursaries were offered:

- › BSc Building, Civil Engineering and Quantity Surveying
- › BEng Civil Engineering
- › MEng Civil Engineering
- › MBA
- › BCom
- › BTech Building, Civil Engineering and Quantity Surveying
- › National Diploma Building, Civil Engineering and Quantity Surveying
- › National Diploma Human Resources, Safety, Civil Engineering

A total number of 89 students and employees were beneficiaries of the bursary scheme, of whom 51% (2017: 41%) were female employees, and 82% (2017: 70%) were black. The group spent R3,0 million (2017: R2,5 million) on bursaries. The group's bursaries spend is noted on page 51 of this report.

### Solid Foundations

The Solid Foundations learning programme is an in-house facilitated introductory skills programme. The programme is registered with the Construction Education Training Authority as a skills programme, and includes four unit standards, which are as follows:

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

The Solid Foundations learning programme marked its sixth year of skills development, with over 2 000 individuals receiving training since 2012. It will be rebranded as the "S1" programme and made available on an e-learning platform from mid-2018.

### Site Leadership Development Programme (SLDP)

The in-house SLDP is designed to assist and fast-track new graduates into the construction business. More than 80 employees have graduated from the programme to date.

From 2019 onwards, the format of the programme changes to an intensive three-month, full-time programme, consisting of 28 modules.

The SLDP is registered for Continuous Professional Development (CPD) points.

### Knowledge Transfer Programme

The Knowledge Transfer Programme aims to provide mentees with sound advice, guidance, encouragement and exposes them to decision-making and the leadership styles of senior management. The programme cultivates both individual growth and learning, and gives mentees access to organisational knowledge and development of new skills.

The programme encourages the development of future leaders within the industry, while improving communication and creating a more motivated and effective workplace.

### Construction Management Programme (CMP)

Each year, the University of Stellenbosch presents its CMP. CMP is a middle-management programme aimed at engineers and other construction practitioners with senior management aspirations and potential.

### Apprenticeships

The group spent R2,9 million (2017: R1,5 million) on apprenticeships during the year under review. Of the group's total 39 apprentices, 4 (10%) are female and 35 (90%) are black.

During the year, the former RPM and Structures Business Units were merged into the Construction & Mining Business Unit, and had a total of 23 apprentices attend phase training in the earthmoving equipment mechanic and auto electrical apprentices fields.

The Mechanical & Electrical Business Unit currently has 15 active apprentices participating in its apprenticeship programme in the fields of welding, diesel mechanic, earth moving equipment mechanic, instrumentation and electrical.

### Learnership programmes

There were 118 employees on learnership programmes of whom, 33 (28%) were female and 48 (41%) were black. Total learnership spend amounted to R5,2 million.

The company offers learnership opportunities 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

A total 582 (2017: 586) plant operators were successfully trained and assessed during the period. Of the total trained, 97 operators were non-employees.

### FUTURE KEY FOCUS AREAS

The group's skills development goals for 2019 are as follows:

- › 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 the value and participation of existing programmes
- › Continued implementation of the e-learning platform
- › Encouraging professional registration of employees
- › Registering in-house programmes for CPD
- › Developing in-house programmes for the new occupational qualifications
- › Implementing the group mentorship programme



## TRANSFORMED AND DIVERSE ORGANISATION

### INTRODUCTION

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

The Revised Construction Sector Codes were promulgated with immediate effect on 1 December 2017. The group's current scorecard, dated October 2017, will be its final scorecard based on the former Generic Codes of Good Practice. While Stefanutti Stocks is currently a Level 4 Contributor, it is anticipated that this status will improve with the next assessment.

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

### TRANSFORMATION COMMITTEE OBJECTIVES

The group's Transformation Committee is mandated to ensure that its transformation objectives are communicated and implemented throughout the group. To fulfil its mandate and purpose, the committee is tasked with the following:

- › Develop policies, strategies and processes with goals and targets in line with group strategy and legislative requirements regarding transformation, and recommend these to the Executive Committee (EXCO) for approval and implementation through the business.
- › Standardise internal transformation reporting tools, including data collection methodology, to align with the latest legislative requirements and best operating practices.
- › Develop and implement internal processes in terms of employment equity (EE), skills development, preferential procurement, enterprise development, and the Voluntary Rebuild Programme (VRP).
- › Review, monitor and ensure that regular reports are submitted on progress against agreed targets in all elements of the B-BBEE scorecard, the VRP, EE and other construction industry-driven initiatives.
- › Review specific areas where levels of transformation can be improved upon, and recommend strategies.
- › Recommend training and transfer of knowledge to ensure that the group complies with all transformation-related legislation.
- › Communicate to EXCO the possible legislative changes, scenario forecasting and current best practice.
- › Identify and develop mitigation measures, and monitor transformation risks that may impact on the company.
- › Ensure professional, timely and accurate reporting, including the following processes: annual EE reporting, annual training reports and workplace skills plans, annual B-BBEE verification and VRP reporting.
- › Constantly investigate innovative solutions to drive a transformation culture.

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

Stefanutti Stocks holds the view that the role of EMEs and QSEs is critical in South Africa, both for job creation and economic growth.

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

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

### B-BBEE SCORECARD — OCTOBER 2017

A copy of Stefanutti Stocks's latest B-BBEE certificate is included on page 52. Below is a summary of the respective elements of the group's current B-BBEE scorecard, namely: ownership, management control, employment equity, skills development, preferential procurement, enterprise development, and socio-economic development.

#### Ownership

In terms of its October 2017 verification, the group's black ownership was 13,81%, and its black woman ownership was 1,63%. Compliance with regards to this element of the scorecard declined somewhat to 68,91% (2017: 74,60%).

#### Management control

50% of the company's exercisable voting rights are held by black people, of whom 30% are black women. Furthermore, 18% of the group's top executive management are black. As these figures are unchanged from 2017, the company's compliance with this element remains at 46,22%.

#### Employment equity

The group's October 2017 employment equity score increased from 19,60% to 22,70%.

#### Skills development

The company's skills development score declined to 48,49% (2017: 59,29%), although the verifiable training spend on black people increased to R52,8 million (2017: R46,1 million).

#### Preferential procurement

Stefanutti Stocks's score for preferential procurement remained at 85%. This element is combined with supplier development in the Revised Generic Codes, however, the group continues to report it separately due to its significance in the Revised Construction Codes.

#### Enterprise development

The company's score for enterprise development remained at 100%. While this element is combined with preferential procurement in the Revised Generic Codes, the group continues to report on it separately due to its significance in the Revised Construction Codes.

#### Socio-economic development

The company maintained its 100% score with regards to the socio-economic development (SED) element on the B-BBEE scorecard, investing over R1,7 million on SED initiatives.

**ENERGISED AND ENGAGED EMPLOYEES**  
continued

**EE PROFILE (AS AT 28 FEBRUARY 2018)**

Occupational level	Female					Male					Foreign			Total
	African	Coloured	Indian	White	Total female	African	Coloured	Indian	White	Total male	Female	Male	Total foreign	
Top management	—	—	—	—	—	1	—	—	21	22	—	1	1	23
Senior management	1	—	2	6	9	7	4	4	67	82	—	4	4	95
Professional	13	1	6	32	52	54	28	22	228	332	—	13	13	397
Skilled	120	13	21	93	247	667	77	40	254	1 038	3	39	42	1 327
Semi-skilled	226	17	14	51	308	2 344	49	14	27	2 434	—	53	53	2 795
Unskilled	358	10	—	—	368	1 935	44	4	9	1 992	2	23	25	2 385
	718	41	43	182	984	5 008	202	84	606	5 900	5	133	138	7 022

**EMPLOYEES DEEMED AS PREVIOUSLY DISADVANTAGED INDIVIDUALS (PDIs)**

Racial group	2018	2017	2016
African	5 844	6 643	6 486
Coloured	244	287	254
Indian	129	132	148
White female *	182	197	215
	6 399	7 259	7 103
Total employees	7 022	8 017	7 983
Employees deemed PDIs (%)	91,1	90,5	89,0

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

**REMUNERATION FOR MEN AND WOMEN PER OCCUPATIONAL LEVEL**

Occupational level	2018	2017	2016
Senior management	1:0,64	1:0,64	1:0,70
Middle management	1:0,74	1:0,81	1:0,80



## LIVE OUR VALUES

### Partners in the Voluntary Rebuild Programme

The South African Forum of Civil Engineering Contractors (SAFCEC) announced the signing of the Voluntary Rebuild Programme (VRP) in October 2016. The landmark agreement was reached between the South African Government, Stefanutti Stocks, and six other listed South African construction companies. It consists of three initiatives: a financial contribution to a transformation trust; an integrity commitment between the seven companies and government; and the development of black-owned construction companies.

The key objective of the VRP is to transform the South African construction industry by developing a number of black-owned emerging enterprises into meaningful competitors. In 2017, Stefanutti Stocks identified two emerging enterprises, namely: Axsys Projects (Pty) Ltd; and TN Molefe Construction (Pty) Ltd (TNMC). Whilst discussions with Axsys Projects (Pty) Ltd have been concluded, the group is in the final stages of negotiations with TN Molefe Construction (Pty) Ltd. The two companies are not in direct competition with one another.

The development of black-owned construction companies will see Stefanutti Stocks assist in developing the skills, systems and resources of its two VRP construction partners over a period of seven years. The aim is for both companies to become rated as Construction Industry Development Board (CIDB) Level 9 — CE (civil engineering) or GB (general building) category companies. In terms of the VRP agreement, these companies must achieve a cumulative combined annual revenue that is equal to at least 25% of Stefanutti Stocks's annual South African Civil Engineering and Building turnover, by 2024.

The construction sector's relatively low profit margin/high turnover characteristics presents a challenge to enterprise development within the industry, particularly for smaller or start-up entities. While smaller companies depend on sub-contract work from the larger construction companies, they cannot be sustained at the profit margins required to win tenders. To help emerging contractors become sustainable in the long term, while meeting its VRP turnover requirements, Stefanutti Stocks is focusing on establishing strong working relationships with its VRP partners and working jointly on projects in South Africa.

Within Stefanutti Stocks, champions have been appointed to promote each VRP partner, and identify potential synergies on tenders and future prospects across the group. Each partner has several mentors, who assist with the transfer of knowledge and skills in their specific field, which enables the broad and comprehensive development of VRP partner employees.

Axsys Projects and TNMC will benefit in numerous ways including access to projects beyond their existing CIDB tender range, involvement in joint operations that will enable an improved CIDB grading, as well as skills transfer, access to established industry best practices, and operational experience.

Axsys Projects has worked with Stefanutti Stocks on numerous high profile projects, prior to becoming a VRP construction partner. These include the award-winning and highly technical Maydon Wharf, and the Zuikerbosch Sedimentation Plant. Axsys Projects has also been included in a number of joint operation tenders.

The VRP construction partners are encouraged and assisted to tender on construction contracts independently of Stefanutti Stocks. The company's intention is to create a continuous workflow for its VRP partners, which, in addition to significantly increased turnover, will provide regular income to build resources, invest in capital equipment and ensure long-term sustainability.

---

# CASE STUDY

## ENTERPRISE DEVELOPMENT: SIHLE PROPERTY DEVELOPERS AND PLANT HIRE

### ENTERPRISE OVERVIEW

Sihle Property Developers and Plant Hire (Sihle) was established in 2005, and offers its clients construction capabilities, including building and civil construction, civil engineering, property development of turnkey projects, electrical contracting, and plant and machine hire solutions.

The company has a Level 1 B-BBEE Contributor rating and is 100% black-owned, of which 50% of ownership is held by black women. Run by company founder, Raymond Mhlabane, Sihle currently employs 45 permanent employees.

Since its inception, it has successfully completed a broad range of projects of various scopes and sizes, ranging from R1,5 million to R100 million in value. The business holds a CIDB grading of 7 CE PE (civil engineering), as well as a 6 GB PE (general building work), and a 2 EB PE (electrical engineering works — building).

Sihle's business activities span a number of sectors and it participates in contracts that provide educational and residential infrastructure, transport infrastructure, water and waste-water infrastructure, as well as mining infrastructure.

In its turnkey development projects, Sihle participates as both a developer and an implementing agent, providing services from pre-feasibility and environmental impact assessments, to engineering services and the construction of integrated human settlements.

The business also owns and operates a fleet of well-maintained plant and construction equipment, that is utilised in its own construction and maintenance contracts, while also being available for direct hire by clients.

Sihle's enterprise development (ED) relationship with Stefanutti Stocks's Roads and Earthworks Division, evolved from its participation in a contractor development programme, namely the Embewu Programme, that the division offers to emerging enterprises.

The primary objective of Stefanutti Stocks's ED relationship is to transfer skills and knowledge to qualifying participants via monthly workshops and lectures. These focus on typical operational and technical standards found in successful medium and large construction companies.

### OUR INVOLVEMENT

Since July 2015, Stefanutti Stocks has provided the following support to Sihle Property Developers and Plant Hire:

- › Assistance with technical skills transfer. Sihle participated in the Embewu 2018 Programme, which included attending workshops and lectures focusing on plant and equipment hire, tender plant rates, tender buying enquiries, sourcing potential projects, tender labour rates, tender salary rates, cash flow, quality, and production calculations.
- › Assistance with the development of a corporate identity, including a logo revamp, the design and provision of other electronic and company stationery.
- › Assistance with branding and marketing, including the development of the look and feel of the brand, professional on-site photography shoots, drafting of a corporate profile, design and layout of a four-page business profile, procurement and branding of a customised site office as a means to save on monthly rental fees, and the registration of email and website domain names.
- › Access to business system and construction computer software (CCS), including training on CCS, the purchase of a CCS licence, and three months' subscription fees. The training also focused on the principles of construction planning and programming, and course content: the objectives of planning, tender and project planning, and progress, feedback and control.







# CASE STUDY

## ENTERPRISE DEVELOPMENT: PAMCO WATERPROOFING AND LEAKS

### ENTERPRISE OVERVIEW

Founded by Petrus Nemurangoni in 2007, Pamco Waterproofing and Leaks (Pamco) is a Gauteng-based, 100% black-owned construction sector contractor, with a B-BBEE Level 1 Contributor rating.

Over the past decade, the business has trained and developed its people into a talented and motivated workforce, with a reputation for delivering only the highest standards.

Pamco's core business offering includes waterproofing and roof repairs such as roof tiling, roof sheeting, roof sealing, and rubberising. It also executes work in building, plastering and painting projects, as well as waterproofing projects, roof construction and other related activities including welding.

The clients it serves are diverse, spanning the construction industry, mining sector, property developers, blue chip clients, as well as local, municipal and provincial government. An additional offering is the provision of rope-access which provides a huge time- and cost-saving alternative to conventional scaffolding.

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

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

Stefanutti Stocks's Building Business Unit first engaged with the company in 2010, and awarded Pamco a waterproofing subcontract for student hostels being constructed by Stefanutti Stocks on behalf of the University of Johannesburg at its Soweto campus.

This initial subcontracting project marked the beginning of a mentorship relationship that would eventually lead to Pamco's official inclusion in Stefanutti Stocks's Enterprise Development Programme in late 2015. Today, Pamco is listed as a preferred supplier to the construction group's Building Business Unit.

### OUR INVOLVEMENT

Since November 2015, Stefanutti Stocks has provided the following support to Pamco Waterproofing and Leaks:

- › Knowledge transfer, including ongoing mentorship from a contracts director, and a transformation manager.
- › Assistance with business skills development, including an introduction to business strategy, attendance of a workshop covering strengths, weaknesses, opportunities and threats (SWOT) analysis, business analysis and market positioning.
- › Tender assistance, including guidance on the tendering process, assistance with estimation and submission of a tender for welding, which was awarded to Pamco.
- › Assistance with operational skills development, including the attendance by 11 employees of tools and welding training courses, provided by Powerpro.
- › Financial assistance, including the purchase of welding machines by Stefanutti Stocks for a newly awarded tender, and receiving early payment, within 15 days of submission of invoice.
- › Assistance with project awards, including the award of a R500 000 project at various early childhood development centres in Tembisa as part of the group's 2017 Mandela Day initiative. The opportunity to network with other companies that have contracted for Stefanutti Stocks, such as Hebner Solutions, resulting in an award of specialised container building work by Hebner to Pamco. The business underwent specialist training, and the new relationship should facilitate more opportunities for Pamco.
- › Branding and marketing assistance, including a full wrap of one of Pamco's company vehicles.



---

# CASE STUDY

## ENTERPRISE DEVELOPMENT: ELECTRICAL PROJECTS INVESTMENTS (PTY) LTD

### ENTERPRISE OVERVIEW

Established in 1996, Electrical Projects Investments (Pty) Ltd (Electrical Projects) is a fully-fledged electrical company that services the South African building industry. Over the past 21 years it has earned a reputation as a company that consistently delivers quality projects on time, cost-effectively and profitably.

The company, with its headquarters based in KwaZulu-Natal, is a 100% black-owned, medium-sized enterprise, with a Level 4 B-BBEE rating, an 8 EBPE (Electrical Engineering Works — Building), and an 8 EPPE (Electrical Engineering Works — Infrastructure) grading from the CIDB.

The company is a member of the Electrical Contractors Association (ECA) and the National Bargaining Council for the Electrical Industry (NBCEI). Furthermore, its health and safety officer is registered with the South African Council for Project and Construction Management Professions (SACPCMP).

Electrical Projects provides a range of electrical contracting services to the building industry, including:

- › Electrical installations/additions to commercial, industrial, healthcare and residential developments;
- › Street lighting installation;
- › Low-, medium- and high-voltage reticulation,
- › UPS installations;
- › Earthing; and
- › Surge and lightning protection systems.

Prior to joining the enterprise development programme in November 2016, the company undertook numerous electrical installation subcontracts for Stefanutti Stocks Building KZN. After completing the Unilever warehouse in 2009, it was awarded preferential procurement status and has since participated on a number of Stefanutti Stocks's industrial and building projects. It is currently contracting on site at the Hirt & Carter project in Durban, where it provides all low and medium voltage electrical installation services.

### OUR INVOLVEMENT

Since 2016, Stefanutti Stocks provided the following support to Electrical Projects:

- › Assistance with corporate identity development including logo revamp, as well as the design and production of company stationery, and the compilation of logo guidelines.
- › Assistance with branding and marketing, including professional photography shoots, signage design, website design, and the compilation of website copy.
- › Knowledge transfer, including ongoing mentorship from the divisional finance director and the development of a B-BBEE strategy.
- › Assistance with business skills development, including an introduction to business strategy, attendance of a construction project management and contract law workshop conducted by an industry specialist focusing on SWOT analysis, business analysis and market positioning.
- › Assistance with operational skills development including attendance of a one-day site planning workshop, focusing on the cost-effective running of a construction site.







---

# CASE STUDY

## ENTERPRISE DEVELOPMENT: INGOSI TRADING CC

### ENTERPRISE OVERVIEW

Ingosi Trading CC (Ingosi) was established in 2005, and is a 95% black female-owned civil works, general construction and engineering-related services contractor.

With a Level 1 B-BBEE rating and a CIDB grading of 6CE PE, the business was founded with the vision of embracing and successfully delivering on private and public sector opportunities available to black-owned construction companies.

One of Ingosi's founders, Lindani Siwela began his career in civil engineering in the 1990s. He has overseen and managed operations at the business since its inception, earning it a stellar reputation in the industry sector.

Above all, this steadily growing construction business prides itself on the successful completion and delivery of projects, and its high-calibre employees. Ingosi currently employs nine office-based and 41 operational staff. Its service offering includes:

- › Building and civil construction, including new buildings and renovations, bulk water and sewer reticulations, bulk water reservoirs and roads (new, resurfacing and paving);
- › Earthworks, layer-works, pipe works, concrete works and brick work;
- › Turnkey projects; and
- › Plant and machinery hire.

Ingosi's first contract with Stefanutti Stocks was undertaken in 2015, conducting work as an earthworks subcontractor on the 7,1km-long uThongathi Emergency Pipeline. Following this, the business again partnered with Stefanutti Stocks on the Usuthu Water Treatment Works, mainly carrying out earthworks. Ingosi's work ethic and commitment to project delivery resulted in an invitation, in 2017, to join Stefanutti Stocks's Enterprise Development Programme.

To date, Ingosi has successfully completed contracts for a number of construction companies, various district municipalities, the Independent Development Trust (IDT), Dube TradePort Corporation, and government departments such as the Department of Human Settlements and the Department of Transport.

Project highlights for the business include executing subcontractor work on the King Shaka International Airport development; working as a joint operation partner on the Bus Rapid Transit (BRT) project in Pinetown; constructing road and water infrastructure for the Umbulwane Area H housing development for the Department of Housing; and participating in the construction of Umgeni Water's 7km emergency pipeline project stretching from the Tongaat River to Hazelmere Dam.

### OUR INVOLVEMENT

Since March 2017, Stefanutti Stocks has provided the following support to Ingosi Trading:

- › Assistance with human resources and formalising disciplinary policies and procedures, including the layout and print production of a poster and booklet.
- › Assistance with corporate identity development.
- › Assistance with branding and marketing including formalising the brand look and feel, a professional on-site photography shoot, and the compilation design and layout of a four-page business profile.
- › Assistance with skills development whereby four of Ingosi's employees underwent Sage Pastel Accounting and Payroll training.







## ENERGISED AND ENGAGED EMPLOYEES

continued










### UNDERSTANDING THE NEXT GENERATION

Stefanutti Stocks focuses on SED initiatives that address education in communities that surround its operations, with an emphasis on initiatives that promote mathematics and science.

An added focus during the year was aligning with the requirements of the Revised Construction Codes, and ensuring that the initiatives were structured and benefited communities with limited access to services.

The group's SED beneficiaries for the year under review are detailed in the following table:

2018 SED SPEND	Name of initiative	Category	Details of project
	<b>Mandela Day 2017: Early Childhood Development (ECD) Tembisa</b>	Education	Upgrade and improve infrastructure and facilities at 10 ECD centres in Tembisa with support from the Love Trust.
	<b>Adams College</b>	Education	Provision of a school bus to Adams College.
	<b>Jirah Projects</b>	Education	Scholarships for 14 students to complete N1 to N3 Engineering Studies.
	<b>Go for Gold</b>	Education	Sponsor scholarships for three grade 10 to 12 learners at R40 000 each (maths and science).
			Sponsor scholarships for four grade 10 to 12 learners at R20 000 each plus R30 000 ex gratia contribution (maths and science).
	<b>Bray School</b>	Education	Build an emergency school hostel — relief project in Bray village. Existing structure declared unsafe; children left with no suitable accommodation.
	<b>Vision 4 Change</b>	Health and Education	Funding for eye testing and glasses for 1 500 primary school children.

Location	Progressive spend (R)	Communities with limited access to services (R)	<65% access to piped water (%)	<85% access to electricity (%)	>50% below level 6 income (%)
Tembisa, Gauteng	580 419	580 419	36,1	81,9	64,8
Amanzimtoti, KwaZulu-Natal	687 933	687 933	20,2	90,7	65,2
Wentworth, KwaZulu-Natal	685 527	—	Do not qualify	Do not qualify	Do not qualify
Springs, Gauteng	120 000	120 000	57,8	84,9	66,5
Athlone and Raven Smit, Western Cape	110 000	—	Do not qualify	Do not qualify	Do not qualify
Bray village, North West	141 013	141 013	7,5	37,5	81,3
Sasolburg, Free State	129 620	—	Do not qualify	Do not qualify	Do not qualify
	<b>TOTAL</b>	<b>TOTAL</b>	<b>ACTUAL (%)</b>	<b>TARGET (%)</b>	
	<b>2 454 512</b>	<b>1 529 365</b>	<b>62,31</b>	<b>30,00</b>	

# FLAWLESS EXECUTION

## ZERO HARM — HEALTH AND SAFETY

### INTRODUCTION

The group achieved a number of its health and safety objectives following a major focus on the group’s health and safety vision, mission and philosophy. The ultimate aim to achieve “zero harm” spurred a number of new initiatives, which had a positive impact on employees and operations.

Empowering employees in decision-making is a key driver to ensure safety in and around the workplace. Daily start-up processes facilitate a safe work environment, which in turn leads to safer production and execution on projects for clients.

### CURRENT KEY FOCUS AREAS

The key focus areas for the year were as follows:

- › Driving a safety culture — the company’s culture framework is the Stefanutti Stocks Way — this is integral to safe operations and ensuring zero harm.
- › Enabling safety performance — putting lean, user-friendly management systems in place to ensure that employees execute their work safely.
- › Effective and proactive incident investigation — lessons learnt from previous incidents to prevent re-occurrences.
- › Effective implementation of Systems at Stefanutti Stocks (S@S) and the Portal, using the electronic project management tools effectively for the group.
- › Seeking advice on risk and other requirements of OHS legislation.
- › Benchmarking, analysis and verification: ensure that a robust, resilient OHS framework aligns with industry requirements.

### MANAGEMENT APPROACH

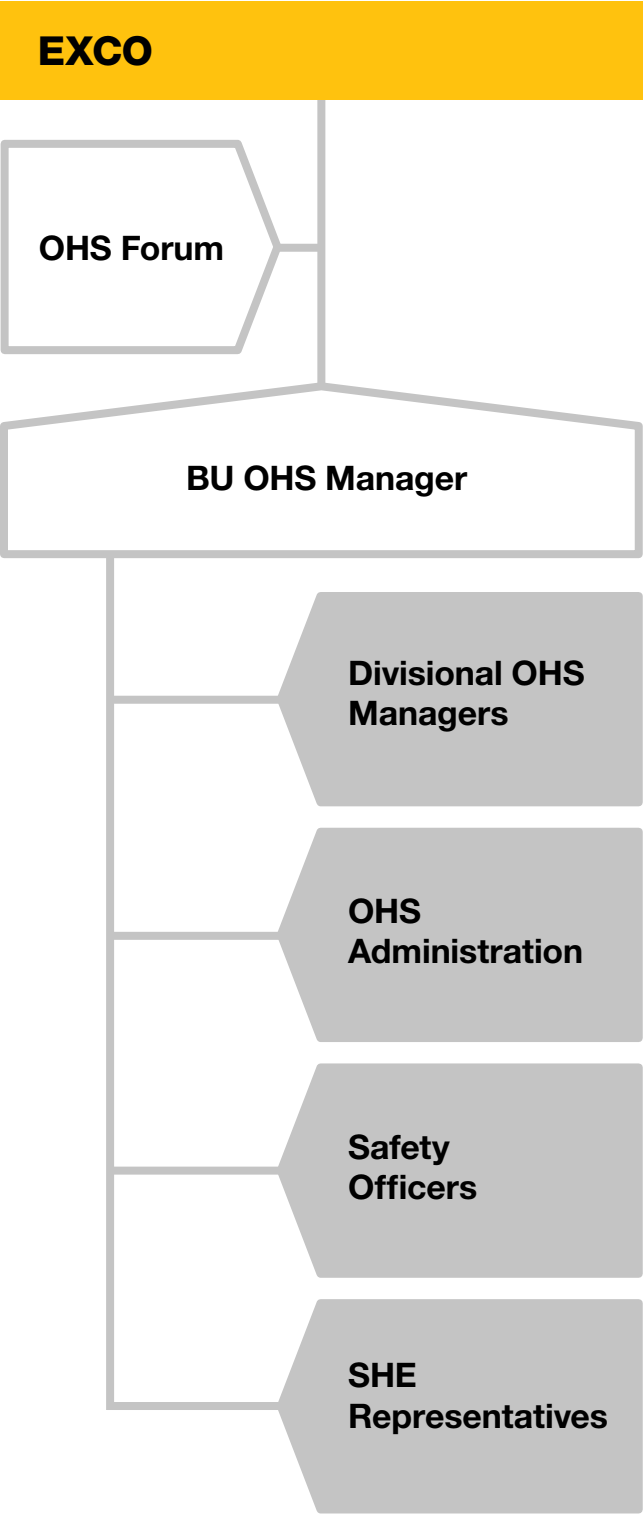
The group’s health and safety policy is reviewed annually by the OHS forum and is approved by the CEO. The policy articulates the group’s commitment to a safe working environment, and targets zero harm to people, property and the environment. Stefanutti Stocks operations have certified management systems to support our commitment to continual improvement in health and safety performance.

The OHS framework strives for zero harm, employee empowerment, efficient management systems, and aligns with the Stefanutti Stocks Way and principles of the Founder’s Mentality. The framework is reviewed annually, and any changes are communicated across the group’s operations.

Safety, health and environmental (SHE) representatives are appointed on a ratio of 1:50 as required by the OHS Act. Each SHE representative is a member of an established committee, giving feedback to management regarding employees’ OHS concerns.

The group OHS forum is led by an EXCO member and represented by all three business units. Operational, functional and support staff have accountability to achieve their OHS key performance areas, which are outlined on the facing page.

The following diagram illustrates the implementation of the group OHS framework:



## NUMBER OF INCIDENTS PER SEVERITY

	2018	2017	2016
Fatality	1	—	—
Lost-time injury	16	14	13
Restricted work cases	13	17	13
Medical treatment cases	45	98	69
First aid cases	220	266	108
<b>Total injuries</b>	<b>295</b>	<b>395</b>	<b>203</b>

## TOTAL SUPERVISED MAN-HOURS — 12-MONTH ROLLING

	2018	2017	2016
Hours include contractor services without mandatory agreements. (OHS Act 37.2)	26 924 072	26 145 738	30 867 447

## FREQUENCY RATES

	2018	2017	2016
Fatality frequency rate	0,01	0,00	0,00
Lost-time injury frequency rate	0,11	0,10	0,10
Recordable case rate	0,54	0,70	0,59

## PERFORMANCE

A number of key performance areas measure health and safety at all levels of employment. The group measures the following to evaluate OHS performance:

- › Fatality frequency rate (FFR)
- › Lost-time injury frequency rate (LTIFR)
- › Recordable case rate (RCR)
- › Number of days without a lost-time injury (LTI)
- › Near hits
- › Total number of VFL engagements
- › Total number of site safety observations (SSO inspections)
- › LE by directors
- › Audits conducted
- › Work stoppages
- › Community unrest

All health and safety-related frequency rates are calculated on a 12-month rolling period, including those for contractors' services. Any identified concerns are dealt with at project safety meetings. The performance areas listed above are closely monitored, investigated and analysed for common trends. If any high risk matters are identified, preventative action is taken. To create awareness throughout the group, safety initiatives are steered by identified trends.

The benchmark for the LTIFR is set at 0,1 and the RCR at 0,7.

Analysing all incidents revealed that manual handling and moving vehicles were major contributors to health and safety statistics. In total, 14 fractures occurred in the major incidents, contributing to a total 363 man-days lost. General workers, security and carpenters were the most affected. 80% of incidents took place within zero to two-year experienced hourly paid employees, and most staff incidents occurred among employees with five years' experience.

Human factors causing incidents were:

- › Poor judgement of a situation's risk; and
- › Haste in performing a task.

Workplace factors' root causes indicated:

- › Inadequate worksite hazard identification;
- › Inadequate worksite planning;
- › Inadequate communication between peers; and
- › Inadequate training provided.

## FLAWLESS EXECUTION

continued

### PRO-ACTIVE INCIDENT MANAGEMENT

The incidents below were analysed further to identify preventive and corrective behavioural system modifications:

Category	Total
Not following procedures	1 298
Use of unsafe tools or equipment	310
Not using protective methods	398
Inattention/lack of risk awareness	460
Absence of protective systems	156
Unsafe tools, equipment and vehicles	177
Work exposures to hazards	594
Workplace environment/layout not to standard	219
<b>Total</b>	<b>3 612</b>

### HEALTH PERFORMANCE

	2018	2017
Total entry medicals	3 463	4 073
Annual surveillance	1 232	774
Noise-induced hearing loss (NIHL) identified	19	192
Tuberculosis questionnaires completed	2 867 of which 19 were referred	2 805 of which 7 were referred
Obese	40%	37%
Smokers	885	1 128
Multi drug testing conducted (excludes employees tested by client)	1 398	1 347

### AUDITS AND COMPLIANCE

During the year under review, 748 systems and compliance audits were conducted. Both external and internal auditors evaluated the group's OHS compliance.

The results were as follows:

- › 520 audits were conducted internally with a mean score of 92,49% compliance to system, legal and other requirements.
- › 185 audits were conducted externally with a mean score of 92,72% compliance to system, legal and other requirements.

The remaining audits conducted do not give a percentage score and have been excluded from the mean scores.

Audit statistics confirm that the group has a high compliance to requirements.

### HEALTH PERFORMANCE

HIV voluntary testing is available for any employee through our occupational health, medical aid and employee counselling service provider.

### FUTURE KEY FOCUS AREAS

The group's health and safety key focus areas for 2019 are as follows:

- › Implementation of Behavioural Change Programmes
- › Transition to ISO 45001 management system for health and safety
- › Predictive indexing/risk profiling for pre-employment and current operational teams
- › Reduce finger and hand incidents
- › Reduce RCR benchmark from 0,70 to 0,50

## ZERO HARM — ENVIRONMENTAL

### INTRODUCTION

The group's environmental framework is based on six pillars, namely: carbon emissions, energy, materials, waste, water and credible information. These are measured and reported on a monthly basis at project and management meetings. All initiatives that are developed aim to avoid, reduce, recycle and reuse, wherever possible or practical. During the year, the baseline carbon footprint information was revised. No legal summonses were issued to Stefanutti Stocks.

### CURRENT KEY FOCUS AREAS

Objectives	Target	Programme	Measurable
<b>Carbon emission data control</b>	› Re-assess the baseline CO <sub>2</sub> e on a weighted average	› Improve data through monthly audit regimes › Determine weighted average baseline per permanent employee hour worked (hw) ratios	› Verification/data sampling › Carbon footprint monthly tracking and reporting per person on a monthly basis
<b>Report on environmental matters</b>	› Improve the standard reporting mechanism	› Ensure that environmental reports display information that is required i.e. carbon footprint tracking and reporting › Ensure that all BUs are reporting all usages required per S@S and include fields as identified	› Feedback from meetings
<b>Increase awareness</b>	› World calendar initiatives	› Propose and select initiatives in which we will participate	› Document and publish initiatives
	› Best practice	› S@S incident module review to include environmental trends	› Analysis and reporting on trends and mitigating measures
	› Training	› Train management regarding the requirements of the EMS	› Training registers
	› Create environmental culture amongst employees	› Awareness campaigns	› One environmental poster campaign per month › Environmental topic for industrial theatre › One environmental article submitted to Sizimisele and Benchmark upon each publication
<b>ISO 14001:2015-based management system for each BU</b>	› Align level 1 core procedures for group	› EMS three-tier development framework; policy; core procedures, manuals › Align core procedures and establish system	› Verification of transition and implementation of aligned core procedures
<b>Measure legal and system compliance</b>	› Implement and use digilex audit tool for EMS evaluation criteria	› Digilex audits › Digilex training schedule	› Track performance and reduction of non-conformance reports and incidents › Track compliance scores for the group
	› NCR and incident management	› Desktop audits to ensure credibility › Environmental Deviation Frequency Rate — rating of incidents in terms of a determined denominator › Lessons learnt	
<b>Improvement and maintenance of sustainability reporting</b>	› Benchmarking	› Internal and external trend analysis	
	› Verification	› Knowledge-based education regarding environmental matters	› Development and inclusion of environmental culture criteria and inclusion of environmental criteria in processes › Training matrix
	› Review	› Review framework annually	› List of recommendations



MANAGEMENT APPROACH

The group’s environmental policy is reviewed annually by the environmental forum and approved by the CEO. Through the policy, and its action, Stefanutti Stocks is committed to ensuring a safe work environment, with the aim of zero harm to people, property and the environment. All of the group’s operations have an environmental management system in place, based on ISO 14001 as a pledge to continual improvement in performance.

The group environmental forum is headed by an EXCO member and represented by all three business units.

The company’s training requirements are based on its environmental framework and legal requirements. Included in its stakeholder requirements, the group also considers client specifications during the training needs analysis process.

The costs incurred to manage the environmental framework are detailed in the table on the facing page (all staff salaries have been excluded).

In accordance with group procedure, the new suppliers approval process is completed and authorised by the appropriate management staff. Site-specific environmental requirements are discussed with each contractor on site and at environmental meetings. Compliance levels are also monitored by client-appointed environmental control officers.

During projects, subcontractors are obliged to adhere to environmental specifications that are included in their subcontractor order.

Operational sites that are owned, leased, managed, or adjacent to protected areas and areas of high biodiversity have been identified, and all habitats have been protected against adverse effects. The red list species, which have been identified and protected, are presented on page 37.

The group’s environmental framework strives to achieve zero harm, employee empowerment and efficient management systems, aligning with the Stefanutti Stocks Way and the Founder’s Mentality principles. This framework is reviewed annually, with any changes being communicated throughout the group.

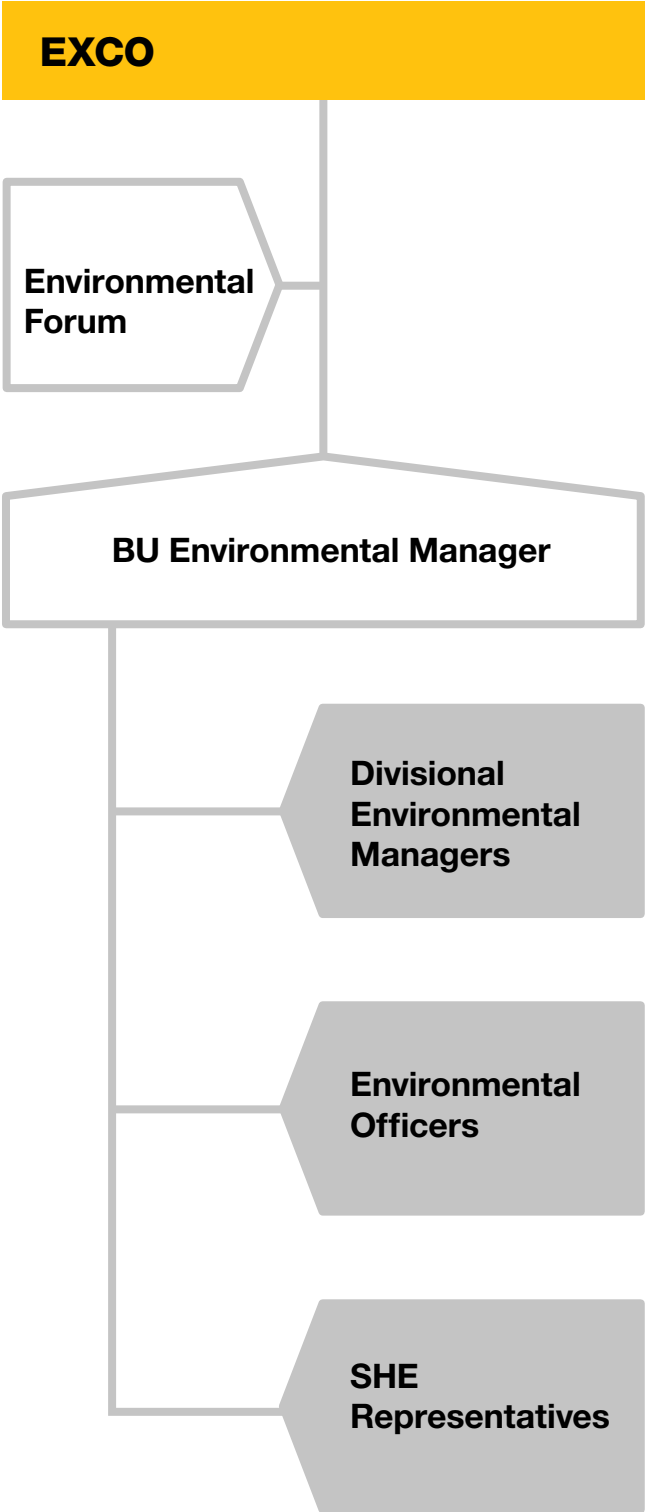
PERFORMANCE

No major non-compliance matters were reported in terms of environmental impact for the year reported. Any insignificant or minor environmental incidents were dealt with as they occurred. In total, 74 environmental incidents occurred for the 12-month rolling period, of which 63 are attributed to small scale ground pollution via decanting processes. These incidents occurred and were contained in a controlled operational area.

In the construction industry, there are no frequency ratios to measure environmental performance. Therefore, a key measurement is based on an internally-developed environmental deviation frequency rate (EDFR). The aim of this rate is to standardise and evaluate the group’s environmental performance.

RESPONSIBILITY AND ACCOUNTABILITY

The structure below has been established to implement the group framework:



## ENVIRONMENTAL COSTS

Identify waste disposal, emissions treatment, and remediation costs based on expenditures which include, as a minimum:	Expenditure (R'000)	Explanation
Treatment and disposal of waste	12 624	General and hazardous waste disposal. (The total is inclusive of skip rental, transportation, dust bins, bin liners, spill kit material and disposal cost for general and hazardous waste).
Treatment of emissions (such as expenditures for filters, agents)	202	Head office workshop wash bay upgraded to recycle water used.
Expenditure on equipment, maintenance, and operating materials and services, and related personnel costs	48 348	Additional Spill Control, labour for waste segregation, waste skips, green services, general machinery and equipment maintenance.
Environmental education and training	291	Product usage for clean-up, legal training for staff.
External services for environmental management	1 452	Environmental Services as provided to project. This includes compliance monitoring, consultation, best control. Application of water use licences.
External certification of management systems	338	Certification fees
Research and development	4 141	Material testing (laboratory)
Extra expenditures to install cleaner technologies (such as additional cost beyond standard technologies)	3 503	Solar panels on RPM building, solar geysers and lighting and bio cleaners.
Extra expenditures on green purchases	651	Dust management.
Other environmental management costs	685	Installing waterless urinals, low flow taps and sinking a borehole at head office/plant yard, planting trees, hydroseeding and erosion control.

## BIODIVERSITY MANAGEMENT — RED LIST SPECIES IDENTIFIED



Project name	Town	Region/province	Red list species
Hammarisdale Interchange	Hammarisdale	KwaZulu-Natal	Aloe arborescens; Aloe ferox; Ledebouria floribunda; Ledebouria ovatifolia; Hypoxis hemerocallidea
Ga-Seleka Village	Grobblersbrug	Limpopo	Elaeodendron transvaalense; Combretum imberbe; Sclerocarya birrea; Boscia albitrunca; Adansonia digitata
Mangaung Water Treatment Works	Mangaung	Free State	African bullfrog scientific name: Pyxicephalus adspersus

## BIODIVERSITY MANAGEMENT — AREAS IDENTIFIED

Project name	Owned, leased, managed, or adjacent to	Region/province	Position in relation to the protected area	Type of operation	Size of operation site in km <sup>2</sup>
Mkhambathi Nature Reserve	Leased	Eastern Cape	In the area	Production	0,01
Foskor Mine	Leased	Limpopo	Adjacent to	Extractive	0,06
Hammarisdale Interchange	Leased	KwaZulu-Natal	In the area	Production	0,40
Olifants River Bridge	Leased	Western Cape	Other	Production	1,00
Mangaung Water Treatment Works	Leased	Free State	Adjacent to	Production	0,50
Nooitgedaght WWTW	Leased	Eastern Cape	In the area	Production	2,00

## CARBON EMISSIONS

	FY2018 (tCO <sub>2</sub> e)	FY2017 (tCO <sub>2</sub> e)	Emission factors
<b>Scope 1</b>	83 400	57 025	Diesel — 2,67kg CO <sub>2</sub> e Petrol — 2,30kg CO <sub>2</sub> e Oil — 2,97kg CO <sub>2</sub> e LPG — 2 715,83kg CO <sub>2</sub> e
<b>Scope 2</b>	3 641,85	3 713	1,027 ton CO <sub>2</sub> e per mWh
<b>Gross</b>	87 041,85	60 738	

## FLAWLESS EXECUTION

continued

The group uses the principles of the safety environment to guide the EDFR calculation. Currently, all business units reflect an EDFR that is monitored. By the end of February 2019, a benchmark will be set for the group and each business unit.

A number of key performance areas are measured in environmental management at all levels of employment. For the group, however, the following is measured:

- › EDFR on environmental incidents and non-compliances
- › Carbon emissions
- › Water usage
- › Energy in gigajoules
- › Electricity usage
- › Waste management and disposal
- › Near hits
- › Total number of VFL engagements
- › Total number of site safety observations (SSO Inspections)
- › LE
- › Audits conducted on system compliance
- › Work stoppages
- › Legal compliance

All frequency rates are calculated by the number of incidents x (200 000 x 2,66)/total supervised man-hours worked. This calculation is done for a 12-month rolling period. The above performance areas are closely monitored, investigated and analysed for common trends.

Effective incident investigation modules have been developed to investigate environmental incidents. The following environmental management aspects and impacts are currently being monitored:

- › Pollution/contamination
- › Environmental damage
- › Unauthorised resource use
- › Sighting of animals (biodiversity)
- › Unauthorised activities undertaken
- › Waste management not to standard
- › Public complaints
- › Legal contravention (internally Identified)

Fines to the value of R5 000 were received from the Ridgeside Management Association due to concrete spillage in Parkway and Park Ave, Umhlanga.

## CARBON FOOTPRINT

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

## CARBON EMISSIONS

The baseline and target for 2019 are set as a weighted average for the past two years at 73 890. Refer to the carbon emissions table on page 37.

## WATER

Water remains a scarce natural resource in South Africa, specifically in the country's Cape provinces. The group's operations abide by water restrictions set by municipalities and are mandated to save and recycle water wherever possible.

For the year under review, the total water used by the group was 1 924 083 kℓ, which is calculated as total water used less recycled water. The water intensity for Stefanutti Stocks's total operations is (total water used/supervised man-hours):  $1\,924\,083/26\,924\,072 = 0,071$  kℓ/MHW.

## ELECTRICITY

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

The group's electricity intensity equals the total electricity used in mWh divided by the total man-hours worked (MHW):  $3546,11/26\,924\,072 = 0,0001$  mWh per MHW.

## ENERGY

In terms of the group's energy used, the combination of all fuel and electricity used is recorded in units of Gigajoule. The group's fuel usage in its largest business unit, Construction & Mining, is the highest due to earthmoving, hauling and mining operations. Stefanutti Stocks is mindful of its energy consumption, and uses the most fuel-efficient machinery and equipment available in order to save on operational cost and reduce carbon emissions. New environmental initiatives have led to a reduction in oil consumption and have extended maintenance schedules. New and used oil is recycled through the company's oil recycling facility, which has reduced oil disposal significantly.

Energy intensity equals the total energy consumed in GJ divided by the total man-hours worked:  $1\,073\,078,39/26\,924\,072 = 0,040$  GJ/MHW.

## WASTE

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

Hazardous waste is broken down further into liquid (hydrocarbon and sewage) and solid (contaminated soil) forms of hazardous waste. Hazardous waste per man-hour worked is  $10\,405,56/26\,924\,072 = 0,0004$ /MHW. Total waste recycled is 6,68%, while the target set for the group is 25%.

## TOTAL SUPERVISED MAN-HOURS — 12-MONTH ROLLING

	2018	2017
Hours include contractor services without mandatory agreements. (OHS Act 37.2)	<b>26 924 072</b>	26 145 738

## WATER

Business unit	Municipal (kℓ)	Ground (kℓ)	Surface (kℓ)	Recycled (kℓ)
Construction & Mining	71 614,18	335 863,44	72 913,30	683 950,15
Building	2 120 078,38	331,00	—	—
Mechanical & Electrical	7 233,00	—	—	—
<b>Total</b>	<b>2 198 925,56</b>	<b>336 194,44</b>	<b>72 913,30</b>	<b>683 950,15</b>

## WATER SOURCES SIGNIFICANTLY AFFECTED BY WITHDRAWAL OF WATER

Project name	Town	Region
Plumblink	Breckenfell	Cape
Kangala Mine	Delmas	Mpumalanga
VDD	Kriel	Mpumalanga
Dorstfontein	Kriel	Mpumalanga
BRM Mine	Bronkhorstspuit	Mpumalanga
Ga-Seleka Village	Lephalale	Limpopo
Mafube Lifex Project	Middelburg	Mpumalanga
Mareesburg	Steelpoort	Mpumalanga
Thutsi Mine Uitgevalen	Ermelo	Mpumalanga
Thutsi Mine Liliefontein	Ermelo	Mpumalanga

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

- › Paper
- › Plastic
- › Wood
- › Oil
- › Metal
- › Batteries
- › Construction rubble (crushed for backfill in group operations)
- › Printer cartridges
- › Electronic waste

## FUTURE KEY FOCUS AREAS

The group's environmental key focus areas for 2019 are as follows:

- › Implementation of ISO 14001:2015
- › Certifications for the remaining three divisions
- › Pursue Green Star offices

## ELECTRICITY

Business unit	Electricity (kWh)
Construction & Mining	1 924 354,97
Building	769 354,14
Mechanical & Electrical	852 404,87
<b>Total</b>	<b>3 546 113,98</b>
<b>Total mW/h</b>	<b>3 546,11</b>

## ENERGY

Business unit	Electricity (Gj)	Diesel (Gj)	Petrol (Gj)	Oil (Gj)	LPG (Gj)
Construction & Mining	6 927,68	1 002 370,20	3 315,66	9 202,56	11,58
Building	2 769,67	23 784,04	2 994,06	34,29	7,45
Mechanical & Electrical	3 068,66	14 884,71	3 282,36	363,57	42,92
<b>Total</b>	<b>12 766,01</b>	<b>1 041 038,95</b>	<b>9 592,08</b>	<b>9 600,42</b>	<b>61,95</b>

## WASTE

Business unit	Waste type	
	Hazardous (tonnes)	General (tonnes)
Construction & Mining	9 994,95	19 626,82
Building	391,94	14 023,22
Mechanical & Electrical	18,67	791,45
<b>Total</b>	<b>10 405,56</b>	<b>34 441,49</b>
<b>% of total waste</b>	<b>23</b>	<b>77</b>

# CASE STUDY

## PARK SQUARE: GREEN STAR SA BUILDING PROJECT

Situated within the Umhlanga Ridge precinct, Stefanutti Stocks's Park Square Project commenced in December 2016 for client, Nedport Developments (Pty) Ltd, which is pursuing a "Green Star SA Office Design" and an "As-Built" certification for the building.

The Green Star SA Rating System is a tool that is used to assess and verify that certain environmental impact categories are taken into consideration at both the design and As-Built phases of a new office development or base building refurbishment.

The assessment process for the Green Star SA Office Design certification requires the supply of specific documentation to validate that certain conditions, specific to environmental impact at the design stage, are met.

The Green Star SA Office As-Built certification assesses the same design initiatives, however its validation documentation is retrospective and relevant to the construction stage only.

Each of the nine separate environmental impact categories included in the Green Star SA Rating tool are assigned a number of credits and include the following:

- › Management;
- › Indoor environment quality;
- › Energy;
- › Transport;
- › Water;
- › Materials;
- › Land use and ecology;
- › Emissions; and
- › Innovation

The credits in each category address an initiative that can improve the environmental performance of a design, project or building. Points are awarded to each credit for actions that demonstrate the project has met the objectives of the Green Star SA Rating System.

### WASTE MANAGEMENT

Waste management falls within the "Management" category, where up to three points are awarded if the following requirements are met:

- › The contractor implements a Waste Management Plan (WMP), retains waste records and issues quarterly reports to the building owner; and
- › A percentage (by mass) of all demolition and construction waste is re-used or recycled as follows:
  - › One point for 30% of waste
  - › Two points for 50% of waste
  - › Three points for 70% of waste

The total number of points accumulated across all applicable credits of the various categories will determine which star rating is awarded. Park Square is hoping to achieve a 4-Star Design and As-Built rating.

Further to the above, other detailed requirements must be met, to be awarded a point for waste management and additional information must be submitted to the Green Building Council SA for scrutiny, before points are awarded.

Allocating sufficient human and financial resources are vital to achieve the waste credit. As such, to attain three points for waste, the contractor has to conduct thorough research to source service providers that meet the necessary criteria, and also perform feasibility assessments to determine which waste streams to target.

### RECYCLING AND RE-USE INITIATIVES

A number of recycling and re-use initiatives have been implemented, some of which are an ongoing process and the suitability of certain materials will only be determined during the finishing phase of the project. Materials include:

- Re-use of:
- › Excess concrete
  - › Glass
  - › Shutter board offcuts
  - › PVC pipes
  - › Concrete cores
  - › Rebar

- Recycling of:
- › Timber off-cuts
  - › Steel
  - › Various types of plastics
  - › Cans
  - › Cardboard and paper

Various service providers are used in recycling the different types of waste; some use formal recycling methods, while others are informal. Green Star SA accepts both, provided that adequate records are maintained.

The percentages are updated monthly and vary based on the types of waste generated during a particular period. For the period (Jan 2017 to Jan 2018), 90% of waste generated on the project, by mass, was recycled or re-used.

This percentage is expected to reduce during 2018 as the materials used in the initial phase come to an end. These weigh less, and more non-recyclable materials are specified as part of the building design.

Examples of implemented recycling and re-use waste stream initiatives are listed below:

WASTE TYPE	METHOD OF RE-USE/RECYCLING
Timber	Processed for use as biomass at local Unilever factories
Glass	Possible design feature
Plastic	Plastic is sent to extruders to make pellets which are used to manufacture plastic bags, buckets, chairs, etc.
Steel	Processed for recycling at smelters
Concrete	Broken into smaller pieces and used as backfill and bases to reduce the amount of commercially-sourced aggregate
Paper	Paper is pulped at local paper mills to manufacture cardboard and tissue paper
OSB (lifts)	Possible design feature
PVC	Non-recyclable, but a possible design feature

The challenges experienced when implementing recycling and re-use initiatives are mostly due to human error, such as placing various types of waste in the incorrect bins. To prevent this, workers receive training and bilingual signage is placed on all bins.

Furthermore, recyclables can mistakenly be sent to landfill sites, and lead to missed opportunities for recycling.

### CONCLUSION

While recycling is an achievable credit on all urban building projects, it requires careful planning and continuous supervision to achieve the Green Star credits, while ensuring legal environmental compliance.

The outcome of the Round 2 Design Submission for the project is currently being reviewed. Updated information relating to waste will be submitted for the As-Built submission on practical completion, towards the end of 2018. Stefanutti Stocks commends the project team for its achievements thus far.

## PROPER PLANNING PREVENTS POOR PERFORMANCE

### QUALITY MANAGEMENT

Stefanutti Stocks prides itself on the consistently high quality of work it executes for clients. In 2016, the group adopted its revised mission, namely “Excellence in Execution”, which focuses the group’s business activities to achieve its ultimate objective.

The revised mission has three enablers, which are: energised and engaged employees, flawless execution and client relations. As such, the group’s quality teams are primarily concerned with the “flawless execution” aspect of the mission.

The contributing pillars that support and facilitate the group’s mission are as follows:

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

### CURRENT KEY FOCUS AREAS

The key focus areas for the year were as follows:

- › Emphasise the principle of flawless execution by constructing on projects correctly the first time
- › Standardise quality management systems (QMS) within the group
- › Continue to assist the company’s vendors in understanding the principles of QMS to improve their performance

### MANAGEMENT APPROACH

The group’s reputation and culture are built upon the legacy of quality it has delivered. Quality management is therefore pivotal to the future and ongoing success of the group. Management ensures that the group’s main business activities align with the ISO 9001 quality standard, as well as with its own internal measures, standards and procedures.

During the year, the group EXCO elected to highlight its flawless execution enabler, with quality’s main contributor “do it right the first time” at the very forefront of the group’s execution on all of its projects.

To this end, a number of initiatives were developed to emphasise and drive flawless execution of which LE is one.

### Leadership engagement

The following three methods were identified to demonstrate Stefanutti Stocks’s LE:

- › Actions — lead by example in doing it right the first time
- › Focused systems — simplified yet effective systems
- › Focus on people — continuously develop employees to produce quality work

### PERFORMANCE

#### ISO and transition forums

In order to achieve the initial target, all certified operating entities are to convert their ISO 9001 certification to the 2015 version (ISO 9001:2015) by September 2018.

#### Certification within the divisions

Divisions that are ISO 9001:2015 certified:

- › KZN Building Division
- › Western Cape Building Division
- › Roads, Earthworks and Pipelines Division

Business units certified with ISO 9001:2015:

- › Mechanical & Electrical

#### Notable accolades awarded to divisions

##### STEFANUTTI STOCKS BUILDING

- › Houghton Hotel: five-star Master Builders Association (MBA) grading and winner of SHEQ excellence award
- › Westgate Social Housing project: Govan Mbeki award for best social housing project

##### STEFANUTTI STOCKS CIVILS

- › PY Track Slab project: 2017 Fulton award commendation — Innovation in concrete
- › Kusile power station main civils and completion works: 2017 Fulton award commendation — infrastructure

### FUTURE KEY FOCUS AREAS

The group’s quality management key focus areas for 2019 are as follows:

- › Emphasise the principle of flawless execution by constructing on projects correctly the first time
- › Align quality management systems (QMS) within the business units
- › Commit to a successful transition from ISO 9001:2008 to ISO 9001:2015
- › Continue to assist the group’s vendors in understanding the principles of QMS to improve their performance

## **PLANT AND EQUIPMENT — OUR PRIDE**

### **THE STEFANUTTI STOCKS AND EXXONMOBIL FIELD STUDY**

During the year, Stefanutti Stocks became the first company in South Africa to carry out a field study performance endorsed by ExxonMobil Global Lubricants. The two companies were assisted by Centlube, South Africa's authorised distributor of Mobil lubricants, and recently completed an optimum oil drain interval (ODI) study, with the aim of increasing the oil drain intervals on Stefanutti Stocks's fleet of Komatsu HD 465 rigid dump trucks.

Improving operational efficiencies is a priority for the group, Stefanutti Stocks consume approximately 230 000ℓ of lubricant across its operations annually. Reduced consumption translates to an improved environmental footprint, and meaningful operational costs savings. Furthermore, extending the availability of company equipment will improve productivity on sites.

The group owns a fleet of over 1 700 pieces of earthmoving equipment across its operations in South Africa and sub-Saharan Africa.

Conducted over a period of three months, the ODI study followed a performance monitoring protocol, provided by ExxonMobil. A key focus was to assess the performance of Mobil Delvac MX 15W-40, as a preferred engine oil for the group's mixed fleet, to replace the group's current engine oil.

The ODI study conducted regular used-oil analysis, carefully monitored the test vehicles' performance, and increased the oil drainage intervals from 250 to 1 000 operating hours. As a result, the study recommended the use of Mobil Delvac MX 15W-40 by the group. The lubricant provides high thermal and oxidation stability with benefits in reduced sludge build-up and deposit formation, as well as increased viscosity.

At present, the new Mobil lubricant is being used by 16 of Stefanutti Stocks's HD465 fleet. Based on field test assessments, it has been conservatively estimated that the fleet will run a further 5,95%, or 44 hours, using the lubricant.

On an annual basis, the new oil translates to the following improvements:

- › Safety: reduced exposure of 608 hours to safety incidents
- › Environmental care: reduced oil consumption by 328ℓ
- › Productivity: a direct and indirect saving of R4,7 million

This successful field study illustrates how the group continually looks to improve on its environmental performance and operational efficiencies. Once rolled out across the entire fleet, using the new lubricant should have far-reaching, positive effects.





---

# CLIENT RELATIONS

## RELATIONSHIPS WITH CONSTRUCTION PARTNERS AND SUPPLY CHAIN

### INTRODUCTION

The group previously took a decentralised approach to supply chain management, due to the nature and demands of its business activities. The group has since resolved to consolidate its efforts and streamline vendor management. To this end, the group started a process to centralise supply chain information into a common database, namely the Vendor Management System (VMS).

### CURRENT KEY FOCUS AREAS

The first step was to merge and align the group's vendor data from various accounting systems into the central VMS. Each vendor is uniquely identified, and authorised users log on to the VMS to provide and update their information. In the past two years, 11 000 active vendors have been recorded in the VMS.

Once all vendor information is uploaded to the system, the VMS will prompt users to update any expired documents, such as B-BBEE certificates and workmen's compensation letters.

All documents for the approval process are stipulated, and vendors can upload those that are pertinent to procurement officers such as brochures or price lists.

In the future, only VMS-approved vendors will be eligible to do business with the group.

### MANAGEMENT APPROACH

With centralised data now available, Stefanutti Stocks has enhanced its supply chain-related data analysis, and is better equipped to identify vendors that are key to doing business. Certain product categories have been earmarked for centralised buying and, where appropriate, annual contracts have been issued.

### PERFORMANCE

Even at this early stage, the benefits of having an organised sharing of supply chain information are clear, although the value of the savings may not yet be quantified. The group employs about 50 procurement officers who all have access to this valuable information.

A notable strength of the VMS is the ability to provide a detailed report and scorecard on preferential procurement for any project, division, business unit or the group as a whole. Furthermore, it is now a much simpler process to determine the group's spend with groups of related companies.

### FUTURE KEY FOCUS AREAS

The VMS requires further development, such as integration with the group's accounting systems and incorporation into international operations. Educating the group's procurement officers on the use and benefits of the VMS in order to maximise its benefits remains a primary focus area.

To enhance contract margins and differentiate itself from competitors, Stefanutti Stocks is actively engaged in improving its skills and capabilities in pursuing alternative methods of procurement. The main focus of this strategy is to cultivate and retain the group's client relationships by offering additional services which are in demand within markets in South Africa and the Southern African region.

To succeed in this strategy, Stefanutti Stocks must be adequately equipped and engaged with competent consultants that can deliver the unique requirements of alternative procurement offerings. It is essential to establish client needs and exceed their expectations. To achieve these significant goals, regular updates, feedback sessions and progress reports are a necessity.

Stefanutti Stocks has developed a solution-based culture to ensure that clients' needs are met by deploying appropriately-skilled consultants, subcontractors, suppliers and staff to safeguard the interests of clients and the success of their individual projects.

Developing client relationships that are based on trust takes time to achieve through a steady process of engagement and delivery of quality services. High levels of satisfaction and trust can unlock repeat business, as new projects are usually only awarded after the successful completion of current work. To maintain the consistency of Stefanutti Stocks's culture, it is vital that senior members of staff engage with clients on a regular basis throughout the relationship-building process.

# CASE STUDY

## CLIENT RELATIONS: STRATEGY IN PRACTICE

The specific purpose of the BMW Body in White (BiW) project was to construct a technologically-advanced body shop for the assembly of BMW's luxury motorcars in Rosslyn, Pretoria.

Stefanutti Stocks's approach was to first understand the client's vision of how its world-class motorcars are assembled, and then incorporate their thinking throughout the building delivery process. The resulting plan was to use a modular or "Lego" type of construction philosophy, to allow for various components of the building such as columns and walls to be precast on site and joined together at a later stage.

The BiW construction programme required taking an unconventional approach in order to meet the challenging time constraints, and this was successfully achieved through the modular precast method. In addition, the project footprint and programme was divided into sections for phased completion. This enabled improved planning with efficient programming combined with Building Information Modelling to complement the modular approach. This ensured that the client, as well as the entire team, were always kept informed and could monitor the progress of each respective section.

The BiW programme philosophy was further structured to meet with the project's tight timelines and there was no margin for error. The project was delivered to the client in phases, always on time or ahead of schedule, which was appreciated by the client and added to their degree of satisfaction with the contract.

A notable factor contributing to the success of the BiW project was the regular, direct communication that Stefanutti Stocks maintained with the client's project manager and design team. Over and above the standard meeting protocols, representatives of Stefanutti Stocks either met or had contact with members of the client's key team on an almost daily basis to establish priorities and deal with them swiftly and effectively. This solution-driven interaction resulted in substantially reduced abortive work on site and any anomalies were identified and remedied early on.

As a result of the high level of engagement, Stefanutti Stocks was able to build a relationship of mutual trust with BMW.

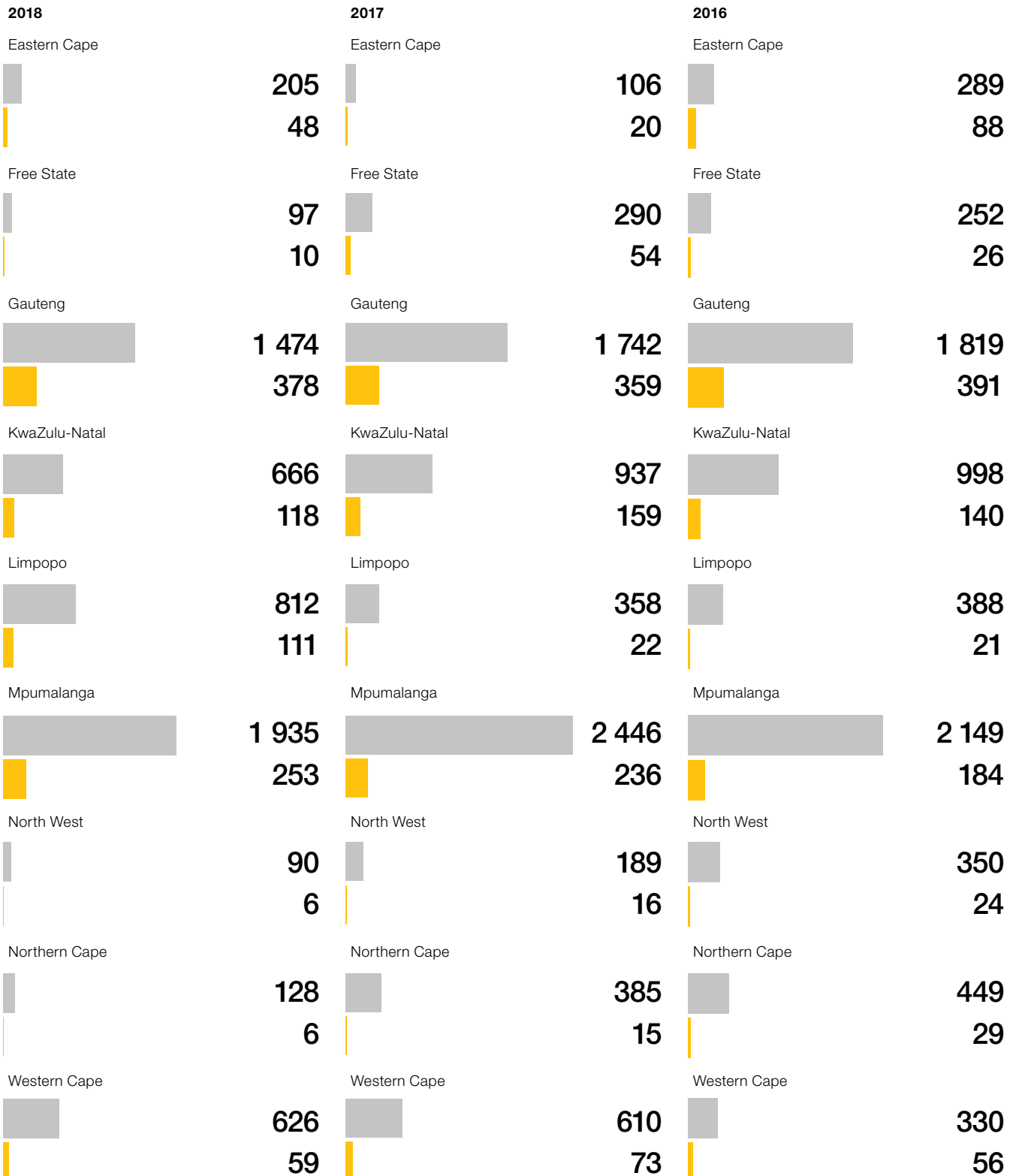
For the group, this successful project highlights the importance of cultivating robust client relationships based on trust, and developing them further over time. BMW's satisfaction with the BiW project and the relationship experience was clear, as they referred to it as their "lighthouse" project, with which to light the way for their future projects.



# ADDITIONAL INFORMATION

## HEADCOUNT BY REGION (RSA OPERATIONS)

Male Female



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

18 – 19 years

<b>'18</b>	<b>0</b>
'17	0
'16	1

20 – 24 years

<b>'18</b>	<b>51</b>
'17	87
'16	157

25 – 29 years

<b>'18</b>	<b>414</b>
'17	514
'16	567

30 – 34 years

<b>'18</b>	<b>703</b>
'17	780
'16	817

35 – 39 years

<b>'18</b>	<b>815</b>
'17	733
'16	678

40 – 44 years

<b>'18</b>	<b>622</b>
'17	628
'16	614

45 – 49 years

<b>'18</b>	<b>506</b>
'17	485
'16	483

50 – 54 years

<b>'18</b>	<b>372</b>
'17	385
'16	444

55+ years

<b>'18</b>	<b>494</b>
'17	482
'16	460

## TERMINATION PERCENTAGES ARE CALCULATED BY USING AVOIDABLE EMPLOYEE TURNOVER AS A PERCENTAGE OF THE 2018 HEADCOUNT

### AVOIDABLE EMPLOYEE TURNOVER: TERMINATIONS BY AGE GROUP

Age group	2018			2017			2016		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
18 to 19	—	8	—	—	21	—	4	25	16,0
20 to 24	29	288	10,1	50	459	10,9	64	555	11,5
25 to 29	156	1 028	15,2	164	1 408	11,6	214	1 431	14,9
30 to 34	164	1 377	11,9	202	1 645	12,3	204	1 678	12,1
35 to 39	134	1 374	9,8	150	1 385	10,8	159	1 294	12,2
40 to 44	93	1 009	9,2	77	1 086	7,1	96	1 014	9,5
45 to 49	54	762	7,1	61	760	8,0	61	727	8,4
50 to 54	48	524	9,2	38	577	6,6	38	615	6,1
55+	30	652	4,6	29	676	4,3	50	644	7,7
<b>Total</b>	<b>708</b>	<b>7 022</b>	<b>10,1</b>	<b>771</b>	<b>8 017</b>	<b>9,6</b>	<b>890</b>	<b>7 983</b>	<b>11,1</b>

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

Region	2018			2017			2016		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
Eastern Cape	18	253	7,1	29	126	23,0	31	377	8,2
Free State	41	107	38,3	41	344	11,9	21	278	7,6
Gauteng	166	1 852	9,0	162	2 101	7,7	219	2 210	9,9
KwaZulu-Natal	54	784	6,9	117	1 096	10,7	149	1 138	13,1
Limpopo	37	923	4,0	37	380	9,7	49	409	11,9
Mpumalanga	267	2 188	12,2	237	2 682	8,8	222	2 333	9,5
North West	17	96	17,7	24	205	11,7	91	374	24,3
Northern Cape	44	134	32,8	55	400	13,8	63	478	13,2
Western Cape	64	685	9,3	69	683	10,1	45	386	11,7
<b>Total</b>	<b>708</b>	<b>7 022</b>	<b>10,1</b>	<b>771</b>	<b>8 017</b>	<b>9,6</b>	<b>890</b>	<b>7 983</b>	<b>11,1</b>

**AVOIDABLE EMPLOYEE TURNOVER: TERMINATIONS BY GENDER**

Gender	2018			2017			2016		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
Male	643	6 033	10,7	691	7 063	9,8	790	7 024	11,2
Female	65	989	6,6	80	954	8,4	100	959	10,4
<b>Total</b>	<b>708</b>	<b>7 022</b>	<b>10,1</b>	<b>771</b>	<b>8 017</b>	<b>9,6</b>	<b>890</b>	<b>7 983</b>	<b>11,1</b>

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

Racial group	2018			2017			2016		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
African	507	5 844	8,7	537	6 643	8,1	613	6 486	9,4
Coloured	46	244	18,9	56	287	19,5	57	254	22,4
Indian	10	129	7,8	20	132	15,2	26	148	17,5
White	145	805	18,0	158	955	16,5	194	1 095	17,7
<b>Total</b>	<b>708</b>	<b>7 022</b>	<b>10,1</b>	<b>771</b>	<b>8 017</b>	<b>9,6</b>	<b>890</b>	<b>7 983</b>	<b>11,1</b>

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

Occupational level	2018			2017			2016		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
Top management	3	23	13,0	2	26	7,7	1	28	3,6
Senior management	8	95	8,4	6	95	6,3	8	105	7,6
Professional	66	397	16,6	70	465	15,1	68	457	14,8
Skilled	158	1 327	11,9	192	1 408	13,6	231	1 576	14,7
Semi-skilled	209	2 795	7,5	257	3 229	8,0	290	3 269	8,9
Unskilled	264	2 385	11,1	244	2 794	8,7	292	2 548	11,5
<b>Total</b>	<b>708</b>	<b>7 022</b>	<b>10,1</b>	<b>771</b>	<b>8 017</b>	<b>9,6</b>	<b>890</b>	<b>7 983</b>	<b>11,1</b>

## NEW APPOINTMENT PERCENTAGES WERE CALCULATED BY USING TOTAL NEW APPOINTMENTS AS A PERCENTAGE OF THE TOTAL 2018 HEADCOUNT

### NEW APPOINTMENT % PER AGE GROUP

Age group	2018			2017			2016		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
18 to 19	8	8	100,0	21	21	100,0	28	25	112,0
20 to 24	237	288	82,3	399	459	86,9	410	555	73,9
25 to 29	561	1 028	54,6	770	1 408	54,7	832	1 431	58,1
30 to 34	573	1 377	41,6	667	1 645	40,5	749	1 678	44,6
35 to 39	442	1 374	32,2	571	1 385	41,2	538	1 294	41,6
40 to 44	302	1 009	29,9	337	1 086	31,0	332	1 014	32,7
45 to 49	194	762	25,5	212	760	27,9	191	727	26,3
50 to 54	112	524	21,4	140	577	24,3	136	615	22,1
55+	91	652	14,0	109	676	16,1	122	644	18,9
<b>Total</b>	<b>2 520</b>	<b>7 022</b>	<b>35,9</b>	<b>3 226</b>	<b>8 017</b>	<b>40,2</b>	<b>3 338</b>	<b>7 983</b>	<b>41,8</b>

### NEW APPOINTMENT % PER REGION

Region	2018			2017			2016		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
Eastern Cape	195	253	77,1	139	126	110,3	160	377	42,4
Free State	41	107	38,3	412	344	119,8	237	278	85,2
Gauteng	539	1 852	29,1	541	2 101	25,7	625	2 210	28,3
KwaZulu-Natal	271	784	34,6	407	1 096	37,1	606	1 138	53,2
Limpopo	541	923	58,6	193	380	50,8	229	409	55,9
Mpumalanga	650	2 188	29,7	921	2 682	34,3	610	2 333	26,1
North West	17	96	17,7	119	205	58,0	357	374	95,4
Northern Cape	24	134	17,9	179	400	44,8	276	478	57,7
Western Cape	242	685	35,3	315	683	46,1	238	386	61,6
<b>Total</b>	<b>2 520</b>	<b>7 022</b>	<b>35,9</b>	<b>3 226</b>	<b>8 017</b>	<b>40,2</b>	<b>3 338</b>	<b>7 983</b>	<b>41,8</b>

## NEW APPOINTMENT % PER GENDER

Gender	2018			2017			2016		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
Male	2 064	6 033	34,2	2 703	7 063	38,3	2 900	7 024	41,3
Female	456	989	46,1	523	954	54,8	438	959	45,7
<b>Total</b>	<b>2 520</b>	<b>7 022</b>	<b>35,9</b>	<b>3 226</b>	<b>8 017</b>	<b>40,2</b>	<b>3 338</b>	<b>7 983</b>	<b>41,8</b>

## NEW APPOINTMENT % PER RACIAL GROUP

Racial group	2018			2017			2016		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
African	2 280	5 844	39,0	2 962	6 643	44,6	3 025	6 486	46,6
Coloured	96	244	39,3	146	287	50,9	138	254	54,3
Indian	30	129	23,3	16	132	12,1	25	148	16,9
White	114	805	14,2	102	955	10,7	150	1 095	13,7
<b>Total</b>	<b>2 520</b>	<b>7 022</b>	<b>35,9</b>	<b>3 226</b>	<b>8 017</b>	<b>40,2</b>	<b>3 338</b>	<b>7 983</b>	<b>41,8</b>

## NEW APPOINTMENT % PER OCCUPATIONAL LEVEL

Occupational level	2018			2017			2016		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
Top management	—	23	—	—	26	—	—	28	—
Senior management	5	95	5,3	2	95	2,1	3	105	2,9
Professional	47	397	11,8	39	465	8,4	40	457	8,8
Skilled	255	1 327	19,2	229	1 408	16,3	325	1 576	20,6
Semi-skilled	819	2 795	29,3	947	3 229	29,3	1 154	3 269	35,3
Unskilled	1 394	2 385	58,4	2 009	2 794	71,9	1 816	2 548	71,3
<b>Total</b>	<b>2 520</b>	<b>7 022</b>	<b>35,9</b>	<b>3 226</b>	<b>8 017</b>	<b>40,2</b>	<b>3 338</b>	<b>7 983</b>	<b>41,8</b>

## BURSARIES SPEND

	Bursary students (Cat A)					Bursary spend (including stipends)				
	All	Female	Female (%)	Black	Black (%)	R'000 All	R'000 Female	Female (%)	R'000 Black	Black (%)
<b>Total RSA citizens</b>	<b>89</b>	<b>45</b>	<b>50,6</b>	<b>73</b>	<b>82,0</b>	<b>2 970</b>	<b>1 593</b>	<b>53,6</b>	<b>2 548</b>	<b>85,8</b>
Construction & Mining	50	29	58,0	42	84,0	1 631	935	57,3	1 396	85,6
Building	27	13	48,1	23	85,2	914	561	61,4	836	91,4
Mechanical & Electrical	9	0	0,0	7	77,8	328	0	0,0	284	86,6
Corporate Services	3	3	100	1	33,3	97	97	100	32	33,0





## Broad Based Black Economic Empowerment Verification Certificate

A Consolidated Verification Certificate Issued to

**Stefanutti Stocks (Pty) Ltd**

**Level 4 Contributor**

### Measured Entity

<b>Company Name</b>	Stefanutti Stocks (Pty) Ltd
<b>Registration Number</b>	2003/022221/07
<b>VAT Number</b>	4530254244
<b>Address</b>	Protec Park Cnr. Zuurfontein Ave & Oranjerivier Drive Kempton Park 1619

### B-BBEE Status

<b>B-BBEE Status Level</b>	Level 4
<b>Element Points Obtained</b>	EO: 17.23 points; MC: 6.43 points; SD: 11.37 points; ESD: 40.34 points; SED: 5 points
<b>Discounting Principle Applied</b>	No
<b>Empowering Supplier</b>	Yes

*\*Black Owned: >=51% and 8 points for Net Value*

*\*Black Women Owned: >=30% and 8 points for Net Value*

<b>Black Voting Rights</b>	29.98%	<b>Black Women Voting Rights</b>	6.37%
<b>Black Economic Interest</b>	13.81%	<b>Black Women Economic Interest</b>	1.63%
<b>51% Black Owned *</b>	No	<b>30% Black Women Owned *</b>	No
<b>Black Designated Group Supplier</b>	No	<b>Modified Flow Through Principle Applied</b>	

<b>Issue Date</b>	31/10/2017
<b>Expiry Date</b>	30/10/2018
<b>Certificate Number</b>	ELC7366-1GENBB replacing ELC7366RGENBB
<b>Version</b>	Final - Revised 2/11/2017
<b>Applicable Scorecard</b>	Amended Codes - Generic
<b>Applicable BBBEE Codes</b>	Amended Generic Codes Gazetted on 11 October 2013

**EmpowerLogic (Pty) Ltd**

Reg. No. : 1995/000523/07

BBBEE Verification Agency



SANAS Accredited

Per E Ackroyd (CA)SA

Member - Verification Committee



BVA018

### BEE Procurement Recognition Levels

Level	Qualification	%
1	≥ 100 Points	135%
2	≥ 95 but < 100	125%
3	≥ 90 but < 95	110%
4	≥ 80 but < 90	100%
5	≥ 75 but < 80	80%
6	≥ 70 but < 75	60%
7	≥ 55 but < 70	50%
8	≥ 40 but < 55	10%
Non Compliant	<40	0%

### Enquiries

Tel:

086 111 4003

Fax:

086 505 7284

[verification@empowerlogic.co.za](mailto:verification@empowerlogic.co.za)

[www.empowerlogic.co.za](http://www.empowerlogic.co.za)

This certificate is the result of an independent and impartial verification of the BBBEE status of the measured entity measured against the Codes of Good Practice on Broad Based Black Economic Empowerment. the objective of our verification is to verify the validity and accuracy of the BBBEE status represented by the measured entity. EmpowerLogic is not responsible for ensuring completeness of information provided to support the BBBEE status. This certificate must be validated at [www.bbbee-scorecards.co.za/search/new](http://www.bbbee-scorecards.co.za/search/new) before reliance is placed thereon. EmpowerLogic does not take responsibility for certificates that have not been validated.

# ABBREVIATIONS AND DEFINITIONS

## **“B-BBEE”**

Broad-based black economic empowerment

## **“BU”**

Business unit

## **“CEO”**

Chief Executive Officer

## **“CIDB”**

The Construction Industry Development Board

## **“CLO”**

Community Liaison Officer

## **“CMP”**

Construction Management Programme

## **“CPD”**

Continued professional development

## **“ED”**

Enterprise development

## **“EME”**

Emerging micro enterprise

## **“EMS”**

Environmental Management System

## **“EXCO”**

Executive Committee

## **“HR”**

Human resources

## **“ISO”**

International Organization for Standardization

## **“ICT”**

Information communication technology

## **“JSE”**

Johannesburg Stock Exchange

## **“LE”**

Leadership engagement

## **“LTI”**

Lost-time injury

## **“LTIFR”**

Lost-time injury frequency rate

## **“MQA”**

Mining Qualifications Authority

## **“OHS”**

Occupational health and safety

## **“OHSE”**

Occupational health, safety and the environment

## **“QMS”**

Quality management systems

## **“QSE”**

Qualifying small enterprise

## **“RCR”**

Recordable case rate

## **“S@S”**

Systems at Stefanutti Stocks

## **“SED”**

Socio-economic development

## **“SETA”**

Skills Education Training Authorities

## **“SHE”**

Safety, health and environmental

## **“SHEQ”**

Safety, health, environment and quality

## **“SLDP”**

Site Leadership Development Programme

## **“SWOT”**

Strengths, weaknesses, opportunities and threats analysis

## **“the current year”**

The financial year ended 28 February 2018

## **“the next year”**

The financial year ended 28 February 2019

## **“the previous year”**

The financial year ended 28 February 2017

## **“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 20 June 2018: KR Eborall\* (Chairman); ZJ Matlala\*; HJ Craig\*;  
ME Mkwana\*; JM Poluta\*; B Harie\*; BP Silwanyana\*; 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

50 Smits Road, Dunkeld, Randburg, 2196

PO Box 651010, Benmore, 2010

Telephone number: +27 11 268 6231

## BANKERS

Nedbank Limited

Nedbank (Swaziland) Limited

Nedbank Namibia

The Standard Bank of South Africa Limited

Absa Bank Limited

Barclays Bank Moçambique

Bidvest Bank Limited

First National Bank, a division of FirstRand Bank Limited

First National Bank Moçambique

First National Bank Zambia Limited

RMB Botswana

Standard Bank Swaziland

Standard Bank Malawi

Standard Bank Moçambique

Standard Lesotho Bank Limited

Standard Chartered Bank

Emirates NBD

First Gulf Bank

HSBC Middle East

Banco Unico

Banco Comercial e de Investimentos

Banco Internacional de Moçambique

United Bank for Africa

Ecobank

Société Générale de Banques en Guinée

Diamond Bank Plc Nigeria

Zenith Bank Plc Nigeria

Stanbic IBTC Bank Nigeria

Stanbic Bank Zambia Limited

Stanbic Bank Botswana

## WEBSITE

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



---

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