



Sustainability Report '21



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ABOUT THIS REPORT

Scope and boundary

The sustainability report comprises the operations of Stefanutti Stocks Holdings Limited and its subsidiaries (the company, the group or Stefanutti Stocks) mainly for South Africa. The information in this report covers the performance of the company for the year ended 28 February 2021 and, where relevant, information post year-end, has been incorporated.

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

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

The Stefanutti Stocks integrated annual report, as well as the comprehensive annual financial statements and investor presentations for the year ended 28 February 2021, are available on the company's website.

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

www.stefanuttistocks.com.

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 and only where relevant, information post year-end, has been incorporated. Stefanutti Stocks disclaims any duty to update the information herein.



Busisiwe Silwanyana

Chairman of the Social and Ethics Committee

21 June 2021

Our business units

The Stefanutti Stocks Integrated Annual Report 2021 continues using an icon system to represent its three business units.

These icons represent:



**CONSTRUCTION
& MINING**



BUILDING



**MECHANICAL
& ELECTRICAL**

The iconography family is informed by the basic principles of building blocks — with the specific silhouette for each icon broadly alluding to the particular focus of each business unit.

COVID-19 RESPONSE

National lockdown: 27 March 2020 and return to operations

As the event evolved throughout the world, the South African Government implemented an Alert Level-5 National Lockdown on 27 March 2020. Stefanutti Stocks responded to the request by government to shut down all but a few operations including some projects registered with the CIPC that were classed as essential services to the national power grid.

When the government announced Alert Level-4 Lockdown from 1 to 31 May 2020, most operations within Stefanutti Stocks were registered with the CIPC as essential services and sites resumed operations.

All sites and operations were provided with the required information, training, and systems to effectively implement the COVID-19 measures that the organisation had developed.

Delegation of task team

A task team (COVID-19 Committee) was put together before the formal Lockdown started with a COVID-19 manager heading up the committee to ensure effectiveness and successful implementation of measures.

The committee worked on identifying legal and other requirements including International Best Practice Measures to develop a COVID-19 Response Action Programme including a system to manage and monitor the process.

Compliance measures

Through the task team, Stefanutti Stocks identified, developed, and implemented measures to ensure preparedness to return to work from a legal and responsibility perspective.

The following are some of the measures carried out from a legal perspective:

- › COVID-19 risk assessments were conducted to identify and quantify the multi-level risks and the associated control measures.
- › A COVID-19 policy was written as a declaration of intent by the CEO. The policy was adopted and communicated.
- › COVID-19 operating procedures for sites, plant-yards and offices were drawn up, adopted, and communicated.
- › COVID-19 inductions were carried out at the offices, sites, and plant-yards to ensure all employees and contractors receive the required information and training.
- › COVID-19 daily screening processes have been adopted across all Stefanutti Stocks operations.
- › COVID-19 reporting, investigation, and monitoring system on S@S.

- › Weekly COVID-19 awareness training campaign.
- › COVID-19 audits, assessments, and inspections on all operations.
- › Continual monitoring and improvement programme to ensure effectiveness.

Personal protective equipment

All employees were provided with the required face masks and task-associated Personal Protective Equipment (PPE) as determined through the hazard identification and risk assessment process.

Information, training, and instruction were given to all employees on the limitations, correct usage and application of PPE.

At the entry points of all operations, mandatory PPE signage is displayed with emphasis on COVID-19.

COVID-19 PPE waste bins are provided throughout all operations and are disposed of through the correct licensed waste stream.

No PPE is shared between employees.

Return to operation

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

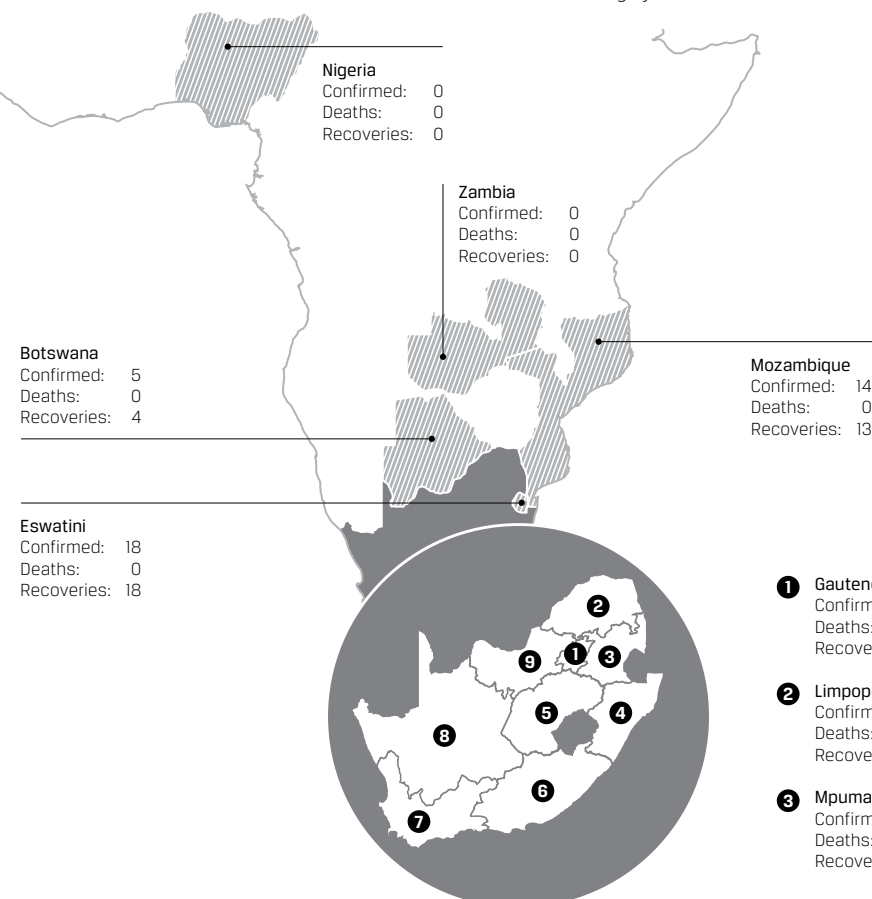
All employees received their PPE, induction, training, and information pertaining to COVID-19 and the effective prevention and management thereof.

All required measures and systems were implemented, assessed, and monitored.

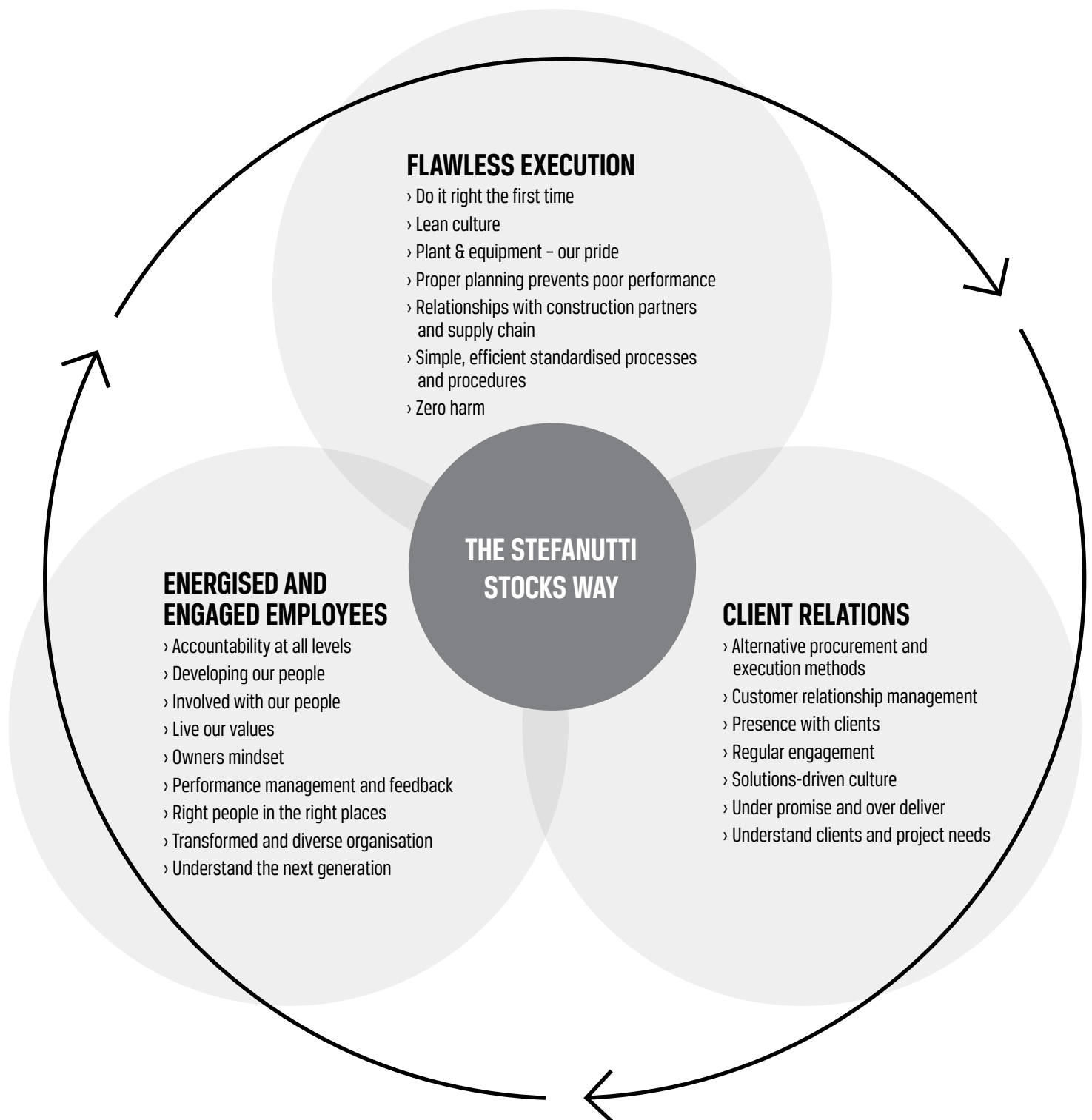
Implementation and monitoring

All systems and measures were rolled out to all operations for implementation. Periodical audits, assessments and inspections are conducted to ensure compliance and effective implementation of the requirements.

Monitoring and review of measures are conducted periodically to ensure continual improvement of the system.



THE STEFANUTTI STOCKS WAY



COMPANY PROFILE

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

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

Mission **excellence**
in execution

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

Values

Candour

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

Accountability

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

People relations

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

CIDB contractor

CATEGORY 9

South African employees

3 956

Global workforce

8 693**REGIONAL OPERATIONS IN AFRICA AND UNITED ARAB EMIRATES***Key: Shaded countries on the map indicate the group's operational footprint*

Stefanutti Stocks's operational focus areas comprise concrete structures, marine construction, piling and geotechnical services, roads and earthworks, bulk pipelines, 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 and the group is ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified.

The group operates across the African continent in South Africa, Sub-Saharan Africa, including Botswana, Mozambique, Eswatini and Zambia as well as in the United Arab Emirates, in both the private and public sectors. Clients include governments, state-owned companies, local authorities, large industrial entities, mining corporations, financial institutions and property developers.

The company's head office is based in Kempton Park, Gauteng and it employs a global workforce of 8 693 with 3 956 South African employees.

The group continues 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 and, at the same time, maintaining a sound financial position while implementing key non-financial objectives to support Stefanutti Stocks's growth strategy.

Values**Professionalism**

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

Excellence

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

Dynamic

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

SUSTAINABLE DEVELOPMENT GOALS

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

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

More information

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

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



SUSTAINABLE DEVELOPMENT GOALS



GROUP MANAGEMENT SYSTEM FRAMEWORK

Executive Committee

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

Sustainability

Chairman – Mike Sikhakhane

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

Occupational health, safety, environment and quality

Chairman – Derek Du Plessis

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

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.

Information technology

Chairman – Mark Snow

The information communication technology (ICT) forum endeavours to ensure the information, communication and technologies utilised support and enable the group's objectives. This entails the identification and assessment of potential 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.

Finance

Chairman – Mark Snow

To coordinate the regulatory and administrative compliance within the group and to share best practices. The forum has an additional focus on the African operations and acts as a source of cross-border experiences, knowledge acquired, current practice and actively partakes 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.

STAKEHOLDER ENGAGEMENT

Employees

Active interaction with the group's employees provides essential feedback throughout the business. Management implements various formal and informal methods with which to meaningfully engage with staff.

Employee engagement also occurs as part of the employment cycle. Once recruited, the next engagement occurs at monthly group induction sessions. These are structured to give new recruits a broad understanding of the group, its internal organisational structure and basic policies and procedures, and act as an introductory discussion when selecting a benefit fund best suited to the employee.

One-on-one employee sessions are scheduled, whereby staff discuss matters such as personal development and training, performance and career path progression. The outcomes of these engagements help guide the succession and training plans of the group. With COVID-19 and the employees spending a significant amount of time at home due to lockdown, these interactions have been limited.

Formal structures of employee engagement and communication 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. Stefanutti Stocks has similar forums on a smaller scale within each business unit and division.

When leaving the group's employ, employees are encouraged to attend an exit interview and, where necessary, further engagement opportunities are arranged to address issues raised.

The company has changed its approach towards health and safety to one which promotes greater personal involvement, acceptance and responsibility instead of its previous approach of compliance and hard-lined management control. Leadership engagement and visible felt leadership both demonstrate this effort.

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

The group conducted a follow-up employee engagement survey for all salaried employees to determine their levels of engagement in respect of key strategic issues affecting the business.

An external service provider was used to conduct the survey with focus areas including employee satisfaction with the company, their jobs, colleagues and communication, among others.

Local communities

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

The group employs Community Liaison Officers (CLOs) whose primary role is to communicate daily with local community leaders, assisting with recruitment requirements and acting as the community spokespersons. The communities have intimate knowledge and a unique relationship with their respective environments and in many instances, CLOs prevent community unhappiness by creating a platform whereby stakeholders can table concerns and queries.

Where communities have been properly engaged, community members become the company's greatest brand ambassadors, promoting its interest in obtaining opportunities for new or additional work in those regions, or at least ensuring consideration for future work.

Trade unions

Trade unions are recognised in line with the 1996 Constitution of South Africa, which provides for the right to join trade unions, and for unions right to collective bargain and strike. This has translated into the Labour Relations Act which established the working framework for both unions and employers.

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

A total of seven trade unions operate within Stefanutti Stocks with stop order facilities in place. Some of these unions represent the majority of employees within certain divisions which entitles them to certain organisational rights.

Clients

COVID-19 and its effects have demonstrated the need to have a good relationship with existing clients. Maintaining these relationships has proved to be one of the anchors of the business.

To keep contact with clients, the group has maintained its commitment to conducting customer satisfaction surveys to formally engage with clients with the view to continually improve its service offering. This aspect has been centralised throughout the group for consistency and standardisation. An analysis of these survey results is monitored at division, business unit and group levels. Where further intervention is required then such decisions are taken, and a "champion" is delegated to implement the decisions.

There have been several projects within the year that have proved that the group's approach of providing a multidisciplinary offering for clients is the correct and competitive approach. In this regard the divisions are yielding positive results and clients are benefiting from it.

Suppliers

Suppliers and vendors remain important stakeholders to the group, and continual efforts are made to enhance and develop existing and future relationships with them.

The quarterly vendor day initiative held at each of the main centres in Johannesburg, Pinetown, Cape Town and Eswatini was regrettably cancelled due to lockdown regulations. In the interim, open channels of communication and engagement were promoted between Stefanutti Stocks's representatives and its stakeholders. The group continually encourages open feedback from staff and suppliers to enhance and streamline works across the realm of supplier interactions and processes.

Enterprise development (ED) partners

The group's ED strategy is to establish and maintain solid working relationships with capable black-owned companies, which are suppliers and contractors, to develop them in a measurable and meaningful way, and to guide their future sustainability, while simultaneously bolstering their ability to execute and deliver larger, more challenging projects.

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

VRP partners

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

The Johannesburg Stock Exchange Limited (JSE), industry bodies and government regulators

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

Shareholders and investors

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

The executive directors also make available presentations regarding the group's performance and strategic progress to employees, the media, institutional investors and financial analysts.

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

Lenders

A strategic restructuring team has been appointed, including the appointment of a Chief Restructuring Officer, to advise on and assist with the development and implementation of a detailed turnaround programme for the group, including the securing of requisite additional short-term funding from the company's primary banker and guarantee providers (the Lenders) and the subsequent restructuring of all such short-term funding into appropriate longer-term funding. The previous short-term funding agreement was converted into a term loan on 1 July 2020.

The group engages with the lenders on a monthly basis through the Restructuring and Implementation Team meeting. The following is discussed:

- › performance against the restructuring plan;
- › cash flows;
- › trading results;
- › future prospects; and
- › other issues relating to the sustainability of the group.

The group envisages this process to continue until the 2022 financial year-end.

MATERIAL ISSUES

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

VALUE-ADDED STATEMENT

Based on continuing operations	2021 %	2021 R'000	2020 %	Restated 2020 R'000
CONTRACT REVENUE		5 040 586		7 227 036
Less: Costs of materials, services and subcontractors		(2 854 082)		(5 354 280)
Value added by operations	98,8	2 186 504	98,6	1 872 756
Investment income	1,3	28 734	1,5	27 827
Share of equity-accounted investees	(0,1)	(1 323)	(0,1)	(2 171)
Total value add	100,0	2 213 915	100,0	1 898 412
Distributed as follows:				
CORPORATE SOCIAL INVESTMENT				
Donations and other community investments	–	701	–	719
EMPLOYEES				
Short-term and post-employment benefit costs	71,2	1 628 926	123,86	2 239 140
Share-based payment and forfeitable share plan costs	–	531	–	1 594
PROVIDERS OF FINANCE				
Interest and finance charges	5,8	134 236	6,4	114 953
Operating lease rentals	25,7	587 423	18,0	325 258
GOVERNMENT				
Taxation	4,1	93 104	(0,2)	(4 412)
TOTAL VALUE DISTRIBUTED	106,9	2 444 921	148,1	2 677 252
REINVESTED IN THE GROUP	(6,9)	(156 762)	(48,1)	(869 490)
Reserves available to ordinary shareholders	(12,5)	(287 027)	(59,2)	(1 070 943)
Depreciation	5,6	130 265	11,1	201 453
	100,0	2 288 159	100,0	1 807 762
Value-added ratios				
Number of employees – total operations		8 693		9 768
Less: Employees forming part of discontinued operations		(2 041)		(1 257)
Number of employees – continuing operations		6 652		8 511
Contract revenue per employee (rand)		758		849
Value created per employee (rand)		344		212

The group received financial assistance from the government during the year in the form of the COVID-19 Temporary Employer Relief (TER) fund.

GROUP PERFORMANCE REVIEW

Performance indicator	Definition	Measurement	2021	Restated 2020
ECONOMIC				
Contract revenue	Contract revenue is the income that the group generated from its normal business activities	R'000	5 040 586	7 227 036
Loss attributable to equity holders	The portion of consolidated loss for the year, net of income taxes, which is attributable to the parent	R'000	(287 027)	(1 070 943)
Earnings per share	Earnings per share is calculated by dividing net earnings by the total number of common shares outstanding	cents	(171,62)	(640,35)
Headline earnings per share	Headline earnings are a measurement of a company's earnings based solely on operational and capital investment activities	cents	(155,13)	(622,48)
Net asset value (NAV)	NAV is the value of an entity's assets minus the value of its liabilities	R'000	352 568	729 904
NAV per share	NAV divided by the number of shares outstanding	cents	210,81	436,43
EMPLOYEES				
Total number of employees RSA operations	Number of employees in RSA	number	3 956	6 339
Total number of black employees	Number of black employees in RSA	number	3 504	5 682
Training and development spend	Rand value of training spend in RSA	Rm	7,4	17,6
% of spend in South Africa (SA) on black (African, Coloured, Indian) employees	Percentage of training spend on black employees in RSA	% of total	87,6	86,2
Total number of bursaries, learnerships and apprentices	Number of bursaries, learnerships and apprentices in RSA	number	80	189
Black bursaries, learnerships and apprentices	Percentage black bursaries, learnerships and apprentices in RSA	% of total	73,8	75,7
Black women bursaries, learnerships and apprentices	Percentage black female bursaries, learnerships and apprentices in RSA	% of total	11,3	22,2
TRANSFORMATION AND LOCAL ECONOMIC DEVELOPMENT				
B-BBEE rating	B-BBEE is a form of economic empowerment initiated by the South African Government	Construction Codes	1	1
SA-based black employees	Percentage of black employees in RSA	% of total SA employees	88,5	89,6
SA-based women	Percentage of female employees in RSA	% of total SA employees	13,4	15,0
SA-based black managers and supervisors	Percentage of black managers and supervisors in RSA	% of total SA employees	18,4	17,4
SA-based female managers and supervisors	Percentage of female managers and supervisors in RSA	% of total SA employees	2,8	3,0
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	701	719

Performance indicator	Definition	Measurement	2021	Restated 2020
Enterprise Development	Investing time and capital to help people establish, expand or improve business	R'000	1 272	2 585
HEALTH				
Noise-induced hearing loss (NIHL)	Loss of hearing caused by the employees' occupation	Number of cases referred to a doctor	48	74
Number of random drug tests	Surveillance measurement in terms of the company's substance abuse policy	Number of drug tests	1 287	3 179
% of random drug tests that were positive	Result of test done where employees were identified as using a substance	Percentage of total	5	4
TB questionnaires completed	Surveillance measurement in terms of the company's dreaded disease policy	Number of TB questionnaires completed	1 592	3 681
Number of TB cases	Result of test done where employees were identified with TB	Number of cases referred to a doctor	–	1
SAFETY				
Fatalities	Any work-related death caused during the employees' occupation	Number of fatalities	1	1
Lost-time injury rate	Any work-related injury where the person lost productive days caused during the employees' occupation	Lost-time injury frequency rate	0,03	0,02
Total recordable case rate	Any work-related injury where the person received medical treatment from an occupational health practitioner caused during the employee's occupation	Recordable case rate	0,35	0,29
ISO 45001 Management System	An international standard for occupational Health and Safety management systems	% of certified management systems within the organisation	100	100
ENVIRONMENTAL				
Major environmental deviation frequency rate	Number of major non-conformances and significant incidents in relation to total man-hours worked	Deviation frequency rate	0,3	0,28
ISO 14001 Management System	An international standard for environmental management systems	Percentage of certified management systems within the organisation	100	100
Legal summons received	Any official legal instruction received from the national prosecutor for environmental transgressions	Number of summons received	–	–
Scope 1	Carbon emissions for non-renewable resources used	tonnes	44 211	115 543
Scope 2	Carbon emissions for electricity used from the national grid	tonnes	1 959	3 551

ENERGISED AND ENGAGED EMPLOYEES

Involved with our people

Introduction

The group recognises that its employees are key to its success and therefore remains focused on implementing its strategic driver – "Energised and Engaged Employees".

With a strong Founder's Mentality at its base, the company cultivates an environment that promotes an entrepreneurial spirit. To this end, group employees' attitude and their mindset are a differentiating factor between Stefanutti Stocks and its peer groups. This way of thinking creates a competitive advantage which culminates in on-time and quality project delivery.

The group's ongoing investment in developing its people and providing a workplace where employees are expected to take responsibility, accountability and ownership of their respective roles has resulted in energised and engaged employees.

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

During the year the group invested in its employees and rolled out and/or enhanced several HR-related initiatives, within the constraints of COVID-19 including:

- › An employee engagement exercise focused on the satisfaction levels of employees with the company, co-workers and their jobs.
- › A continued drive to achieve the group's employment equity (EE) targets while also focusing on initiatives aimed at improving its broad-based black economic empowerment (B-BBEE) level.
- › Management of talent was interrupted by the restructuring process, but initiatives are in place to resuscitate the talent management processes.

Current key focus areas

Medium- and long-term focus areas, to ensure that employees remain engaged and energised, include:

- › A special focus on B-BBEE and EE plans to ensure a transformed and diverse organisation.
- › Continue to roll out the employee engagement template as part of the group's performance management tools to enhance talent management initiatives.
- › Retention strategy for key talent.
- › Implement and align regional structures with business and legislative requirements.

Other initiatives

Employee wellness programme

The group continues to support employees through a professional employee wellness programme, which promotes good health and well-being in the workplace as well as at home by giving access to all employees who need it.

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

- › **Telephonic counselling** is provided to assist employees dealing with day-to-day challenges such as stress, substance abuse or relationship difficulties at home or at work.
- › **Face-to-face counselling** is provided by an appropriate professional, at a convenient time and place.
- › **Trauma counselling** is provided 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** is provided to assist employees with financial matters, such as budgeting, debt management, basic financial planning and garnishee orders.

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

Engagement overview and management support

- › The company's individual utilisation rate increased from 2,9% to 3,1% during the year, which remains lower than the industry average of 6,3%.
- › In addition, the group intervention participant rate decreased from 3,1% to 0,21%, below the industry benchmark of 1,6%. Eight individuals were assisted in a group context, six of whom received couples counselling and two received family counselling sessions.
- › Overall, engagement decreased from 7,7% to 6,4% year-on-year, still well below the industry average of 10,3%.
- › Managerial usage decreased during the period from 20,1% to 18,6% which remains above the industry benchmark of 15,4%. One formal referral was made during the year for organisational issues. Assistance was given though face-to-face counselling and the case has been resolved.
- › Presenting problems:
 - › Relationship issues, being the highest presenting problem cluster, increased from 19,0% to 30,0%, which is above the industry benchmark of 18,5%. Problems include conflict with partner/spouse/ family members, interpersonal conflict, divorce/separation, infidelity, and emotional abuse.
 - › Stress issues increased from 18,8% to 19,2%, which is above the industry benchmark of 18,3%. Problems include general stress, work/life balances, anger management, burnout, and compassion fatigue.

CLINICAL CARDIOVASCULAR DISEASE RISK FACTORS

Clinical risk	Description	Percentage of employees (%)	
		2021	2020
Estimated body fat percentage	Employees with an estimated body fat% that is not acceptable	37	39
Blood pressure (BP) (systolic)	Employees classified as being above acceptable range. Systolic readings (higher reading of BP) is >120mmHg and/or diastolic readings (lower reading of BP) is >80mmHg).	15	54
Total cholesterol	Employees with cholesterol readings over 5,2 mmol/L	11	40
Glucose	Employees with glucose readings over 7,8 mmol/L	0,3	5
Smoking	Employees who are presently smoking	19	20

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

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

Employee wellness days

Due to COVID-19 lockdown, only Gauteng-based employees participated in a company-sponsored wellness day and health and fitness assessments. In total, 170 employees were tested.

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

Of the 170 employees that were tested, 49% opted to undergo voluntary HIV testing and received well-informed counselling.

Medical surveillance programme

The company's designated medical services provider operates in terms of a service level agreement with the group. A total of 2 592 medical examinations were conducted during the year.

Medical surveillance services include the following:

- › Pre-employment medical screenings that facilitate the placement of workers according to job specifications.
- › Multi-drug testing, which includes cocaine, opiates, amphetamine, cannabis and methamphetamine testing.
- › Health risk assessments, which include body mass index indicators with 42,43% within the normal range, 21,19% obese and 1 180 smokers.
- › Medical examinations, including annual, exit and ad hoc examinations to assist with health issues and are recorded and reported in terms of legislative requirements.
- › Coordinated follow-ups, referrals and administration on the health of the workforce.
- › Employee education on general health and workplace risks.
- › Chronic disease management for employees including TB and HIV/Aids. Results included 5 controlled asthmatics (zero uncontrolled), 6 controlled diabetics with 6 uncontrolled, 50 controlled hypertensives and 33 uncontrolled.

Employee benefits

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

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

Permanent employees receive:

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

Temporary employees receive:

- › Accidental death and disability cover
- › Funeral cover

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

Employees are also allocated study leave to assist in their skills development.

Parental leave includes maternity leave and family responsibility leave when a child is born. All 3 956 employees in South Africa are entitled to parental leave. For the year under review, the company had a 100% return-to-work rate after parental leave ended. 67% (2020: 86,9%) of employees that took parental leave were still employed 12 months after their return to work.

Expatriate remuneration and benefits are determined by host country legislations.

Management approach

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

The principles and approach of the United Nations Global Compact for Human Rights and Labour (UNGCHRL) have been applied throughout the group. Strict measures exist to ensure that subcontractors uphold these

principles, more particularly relating to the use of child labour.

Stefanutti Stocks is committed to protect the right to freedom of association and recognises the right to collective bargaining, the elimination of all forms of forced labour, the abolition of child labour and the elimination of employment and occupation discrimination.

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

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

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

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 participates in and engages with the relevant industry associations and 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)

The group also provides HR expertise to SAFCEC. This allows the company to participate in shaping the future of the construction industry.

In total, 43% (2020: 41,7%) of hourly-paid employees are unionised, and are represented by the following unions:

- › Association of Mineworkers and Construction Union (AMCU)
- › Building Construction Allied Workers Union (BCAWU)
- › 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 74,6% (2020: 75,6%) of the group's total staff complement, and fall under the following bargaining councils with existing collective agreements:

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

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

Performance

Staff complement

The total staff complement for the group as at 28 February 2021 was 8 693 (2020: 9 768) employees, excluding temporary employment service employees with 3 956 (2020: 6 339) local employees and 4 737 (2020: 3 429) based beyond South African borders. A further 269 (2020: 495) were local temporary employment service employees.

The group's staff complement fluctuates as a result of the specific requirements and durations of projects. Calculated on total headcount, avoidable employee turnover for the year was 9,8% (2020: 9,5%). The percentage of newly appointed employees, including those employed on limited duration contracts, was 37% (2020: 33,7%) of the company's total headcount. Refer to the table Total Employee Turnover by Type on page 18 for further information.

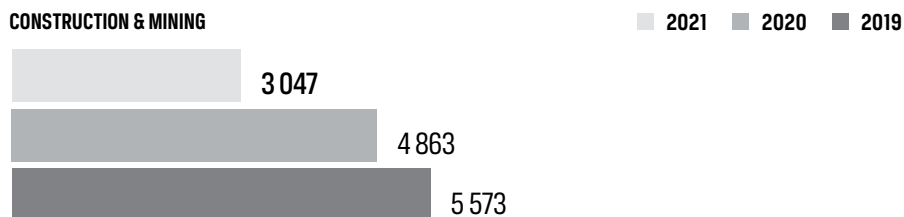
Subcontractors provide certain operational requirements and are not included in this report.

Future key focus areas

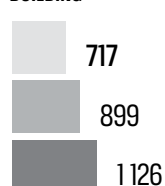
- › A special focus on B-BBEE and EE plans ensure a transformed and diverse organisation.
- › Continue to roll out the employee engagement template as part of the group's performance management tools, to enhance talent management initiatives.
- › Retention strategy for key talent
- › Implement and align regional structures with business and legislative requirements

TOTAL HEADCOUNT PER BUSINESS UNIT: RSA OPERATIONS AS AT 28 FEBRUARY 2021

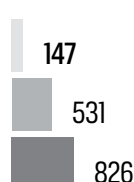
CONSTRUCTION & MINING



BUILDING



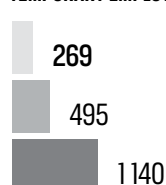
MECHANICAL & ELECTRICAL



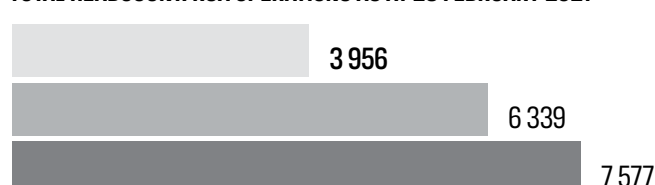
CORPORATE SERVICES



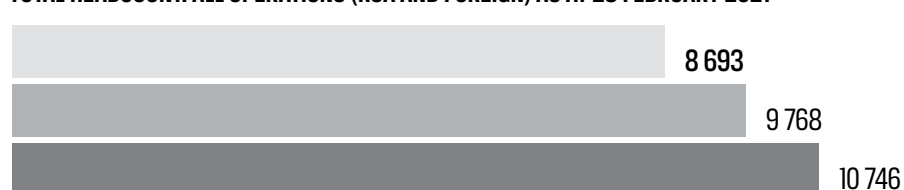
TEMPORARY EMPLOYMENT SERVICES EMPLOYEES



TOTAL HEADCOUNT: RSA OPERATIONS AS AT 28 FEBRUARY 2021



TOTAL HEADCOUNT: ALL OPERATIONS (RSA AND FOREIGN) AS AT 28 FEBRUARY 2021



HEADCOUNT FOR FOREIGN OPERATIONS AS AT 28 FEBRUARY 2021

Country	2021	2020	2019
Botswana	830	407	36
Eswatini	1 002	579	756
Ghana	–	–	28
Guinea	–	–	3
Kenya	–	–	1
Mozambique	1 338	1 023	1 063
Namibia	1	1	5
Nigeria	291	286	262
United Arab Emirates (Al Tayer Stocks)	513	615	607
Zambia	762	518	407
Zimbabwe	–	–	1
Total	4 737	3 429	3 169

HEADCOUNT BY APPOINTMENT TYPE, EMPLOYMENT TYPE AND GENDER FOR RSA OPERATIONS AS AT 28 FEBRUARY 2021

	2021	%	2020	%	2019	%
PERMANENT EMPLOYEES	2 271	57,4	3 721	58,7	3 964	52,3
Youth (18 to 34 years)	496	21,8	1 001	26,9	1 122	28,3
– Male	1 983	50,1	3 170	50,0	3 408	45,0
– Female	288	7,3	551	8,7	556	7,3
CONTRACT EMPLOYEES	1 685	42,6	2 618	41,3	3 613	47,7
Male	1 440	36,4	2 215	34,9	3 041	40,1
Female	245	6,2	403	6,4	572	7,6
TOTAL EMPLOYEES	3 956	100,0	6 339	100,0	7 577	100,0
EMPLOYMENT TYPE						
Salaried	1 081	27,3	1 545	24,4	1 793	23,7
Hourly paid	2 875	72,7	4 794	75,6	5 784	76,3
Male	3 423	86,5	5 385	85,0	6 449	85,1
Salaried	810	20,5	1 143	18,1	1 337	17,7
Hourly paid	2 613	66,0	4 242	66,9	5 112	67,4
Female	533	13,5	954	15,0	1 128	14,9
Salaried	271	6,9	402	6,3	456	6,0
Hourly paid	262	6,6	552	8,7	672	8,9

TOTAL EMPLOYEE TURNOVER BY TYPE: RSA OPERATIONS

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

	2021 terminations	2021 % of total turnover	2020 terminations	2020 % of total turnover	2019 terminations	2019 % of total turnover
Avoidable (resignations, dismissals due to misconduct)	333	9,8	603	17,4	764	25,4
Unavoidable (death, retirements, dismissals due to operational requirements and ill health)	1 396	41,0	557	16,0	386	12,8
End of contract	1 679	49,3	2 315	66,6	1 860	61,8
	3 408		3 475		3 010	

PARENTAL LEAVE

Occupational level	2021			2020			2019		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Employees entitled to parental leave	3 423	533	3 956	5 385	954	6 339	6 449	1 128	7 577
Employees taking parental leave	27	105	132	78	44	122	60	38	98
Employees returning to work immediately after parental leave	27	105	132	78	44	122	60	38	98
Employees that were still employed 12 months after taking parental leave	21	67	88	69	37	106	52	28	80

Developing our people**Introduction**

Although the year was challenging with COVID-19 creating new difficulties throughout, certain business units have continued focusing on skills development for their employees, concentrating on essential training only. While continuing with operational training, programmes and bursaries, the group has opted to postpone certain internal programmes in order to save additional costs.

Current and future key focus areas

The Stefanutti Stocks Academy continued with the training of employees. During the year, the Academy focused on the following key areas:

- › Developing and registering essential courses and programmes as needed by the business units.
- › Updating and optimising its existing programmes to ensure that they remain relevant in the ever-changing construction industry.
- › Further investigating the possibility and viability of incorporating skills such as welding into the existing internal offering.

The Academy will continue to focus on these areas in the year to come. The group invested R7,5 million (2020: R17,6 million) in skills development and training. This amount excludes employees' salaries while receiving training.

Through the Maharishi Invincibility Institute, the group sponsored a further 28 scholarships to the value of R3,9 million.

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

Management approach

The Academy maintained its accreditation with the Mining Qualifications Authority (MQA) and Construction Education and Training Authority (CETA). In the coming year the group aims to move its accreditation from the MQA and hold one accreditation with CETA, due to the reduced group activities in mining.

Professional registrations

There are currently 299 (2020: 199) professionally registered employees, of whom 78 (2020: 91) are black employees and 26 (2020: 33) are female. The group continues to support and encourage its employees to register with professional industry bodies in their respective occupational fields.

During the year 12 (2020: 145) candidates continued to gain the qualifications and experience required to register professionally, 9 (2020: 107) of whom are black employees and none (2020: 37) are female.

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

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

The following table reflects all professional registrations for the group:

PROFESSIONAL REGISTRATIONS (EXCLUDING FOREIGN NATIONALS)

	Candidates					Professionals					Registered in FY2021				
	All	Female	Female (%)	Black	Black (%)	All	Female	Female (%)	Black	Black (%)	All	Female	Female (%)	Black	Black (%)
Corporate Services	–	–	–	–	–	10	4	40,0	2	20,0	–	–	–	–	–
Construction & Mining	102	28	27,5	79	77,5	216	19	8,8	49	22,7	8	–	–	5	62,5
Building	24	7	29,2	17	70,8	64	2	3,1	25	39,1	4	–	–	4	100,0
Mechanical & Electrical	1	–	–	1	100,0	9	1	11,1	2	22,2	–	–	–	–	–
Total	127	35	27,6	97	76,4	299	26	8,7	78	26,1	12	–	–	9	75,0

TRAINING SPEND BY GENDER AND RACE (EXCLUDING SALARY COSTS)

R'000	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Bursaries	415	76	81	190	217	52	125	43	1 199
Professional registrations	43	10	3	4	14	–	–	1	75
Learnerships	206	–	17	42	–	–	–	–	265
Apprenticeships	579	42	–	85	45	–	–	–	751
Non-CETA aligned training and seminars	3 808	96	46	520	581	38	18	32	5 139
Total	5 051	224	147	841	857	90	143	76	7 429
No. of course attendances	2 935	86	59	473	371	18	27	40	4 009

EMPLOYEES TRAINED

	Female	Male	Total	% of total trained
African	168	1 273	1 441	78,6
Coloured	11	45	56	3,1
Indian	14	38	52	2,8
White	31	254	285	15,5
Total	224	1 610	1 834	100

TRAINING SPEND

	Salaried employees	Hourly paid employees	Total
Spend (R'000)	2 723	4 706	7 429
% split	36,7	63,3	100,0

	Construction & Mining	Building	Mechanical & Electrical	Corporate Services	Total
Amount per business unit (R'000)	5 879	1 334	172	44	7 429
% split	79,1	18,0	2,3	0,6	100,0

	No. of employees	Spend per employee (R)
Training per employee (including employees on limited duration contract)	4 009	1 853

	Number of disabled employees trained	Training spend on disabled employees (R)
Disabled employees	8	14 744



Training and skills programmes

Bursaries

The company offered financial assistance to selected students and employees, to further their development at recognised educational institutions. A total number of 58 (2020: 84) South African students and employees benefited from the bursary scheme, 31% (2020: 38%) of whom were female employees, and 59% (2020: 70%) were black. The group spent R1,2 million (2020: R2,3 million) on bursaries and offered the following bursaries:

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

Apprenticeships

During the year, the group spent R0,75 million (2020: R1,1 million) on apprenticeships. Of the group's total of 20 (2020: 32) apprentices, one is female and 17 are black.

A total of 17 apprentices from the Construction & Mining Business Unit attended phase training towards an earthmoving equipment mechanic field.

The Mechanical & Electrical Business Unit had a total of three active apprentices participating in the electrical and diesel mechanic fields.

Learnership programmes

During the year under review, the group spent a total of R265 000 (2020: R1,9 million) on learnerships.

The company offered learnership opportunities in the following fields:

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

Stefanutti Stocks Academy

For the year under review, 452 operators were trained at the Academy, of which 440 were from designated groups and 53 were female. In addition, 481 employees (619 interventions) received training on various construction skills courses, with 477 from designated groups, of which 54 were female.

The courses provided included:

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

The Academy also offers construction skill courses such as Solid Foundations (PPE, Hand Tools, Safety Awareness and Environmental), Basic Concrete and Basic Formwork. The Academy trained 126 employees in one or more of the above courses.



TRANSFORMED AND DIVERSE ORGANISATION

Introduction

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

The Revised Construction Sector Codes were promulgated on 1 December 2017. The group's current scorecard dated August 2020, is based on the Revised Construction Codes of Good Practice. Stefanutti Stocks's status remained a Level 1 Contributor, with black ownership calculated at 81,27% increasing considerably from 58,10% in 2020.

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

The group's preferential procurement objective is to facilitate B-BBEE supplier participation in the mainstream economy, through access to the company's

procurement activities. In implementing this objective, the group advises its currently non-compliant B-BBEE suppliers to become compliant and is supportive when engaging and/or doing business with black empowered, exempt micro enterprises (EME) or qualifying small enterprises (QSE) suppliers.

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 – August 2020

A copy of Stefanutti Stocks's latest B-BBEE certificate is included on page 45. 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 July 2020 verification, the group's black ownership increased from 58,10% to 81,27% and its black woman ownership increased from 2,24% to 8,34%. Compliance with regard to this element of the scorecard largely maintained by this year reporting 85,33% compliance, from the previous year's 85,67%.

Management control

42,86% of the company's exercisable voting rights are held by black people, of whom 42,86% are black women. The group's top executive black management increased to 41,67% (2020: 27,78%). The company's compliance with this element increased to 60,30% (2020: 47,94%).

Employment equity

The group's August 2020 employment equity score increased marginally from 69,84% to 70,63%.

Skills development

The company's skills development score decreased slightly to 119,51% from 121,17% in 2020, as did the verifiable training spend on black people from R73,77 million in 2020 to R67,69 million in 2021.

Preferential procurement

Stefanutti Stocks's score for preferential procurement improved to 98,73% (2020: 96,19%).

Enterprise development

The company's score for enterprise development remained at 100%.

Socio-economic development

The company improved its score to 120% with regard to the socio-economic development (SED) element, investing over R1,2 million on SED initiatives (2020: R2,1 million).

TRANSFORMED AND DIVERSE ORGANISATION

EE PROFILE AS AT 28 FEBRUARY 2021

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	–	–	5	6	–	–	–	6
Senior management	–	–	–	2	2	3	2	4	54	63	–	2	2	67
Professional	4	3	6	20	33	37	13	17	130	197	–	9	9	239
Skilled	73	11	16	56	156	438	63	36	134	671	1	17	18	845
Semi-skilled	93	14	7	25	139	1 257	20	7	12	1 296	–	26	26	1 461
Unskilled	196	4	–	1	201	1 110	12	–	3	1 125	1	11	12	1 338
	366	32	29	104	531	2 846	110	64	338	3 358	2	65	67	3 956

EMPLOYEES DEEMED AS PREVIOUSLY DISADVANTAGED INDIVIDUALS (PDIs)

Racial group	2021	2020	2019
African	3 268	5 354	6 269
Coloured	142	198	287
Indian	94	130	149
White female *	104	146	167
	3 608	5 828	6 872
Total employees	3 956	6 339	7 577
Employees deemed PDIs (%)	91,2	91,9	90,7

*This table is governed by the Employment Equity Act.

REMUNERATION FOR MEN AND WOMEN PER OCCUPATIONAL LEVEL

Occupational level	2021	2020	2019
Senior management	1:0,67	1:0,61	1:0,63
Middle management	1:0,78	1:0,77	1:0,72

SKILLS DEVELOPMENT CASE STUDY

Star apprentice cruises through his trade test

Lawrence Mkhabele hails from Bushbuckridge in Mpumalanga, where he grew up as the youngest of five siblings in a close-knit and loving family. After completing his matric, he moved to Gauteng to study, initially enrolling in an accounting course. However, he soon realised that accounting was not his passion.

When he was a young and curious boy, Lawrence spent a lot of time at his family-owned workshop, fascinated by the big trucks that were being serviced. Some years later, he followed his true passion and decided to pursue a career in mechanics.

Lawrence accepted a bursary offer to study Earthmoving Equipment at the Artisan Training Institute in Roodepoort. While there, he met a Stefanutti Stocks apprentice who encouraged him to apply for an apprenticeship, which he did. After taking a psychometric assessment, and flying through his interviews, he began his apprenticeship as a diesel mechanic with the Stefanutti Stocks Mechanical Division in 2018.

In the past three years, Lawrence has enjoyed being able to express himself and tackle mechanical problems. Whether serving as an apprentice in the workshop or in his spare time, his focus was always on preparing for the trade test that would officially launch his career as a qualified diesel mechanic.

When Lawrence took his trade test, his preparations served him well. Despite being nervous, none of the questions or tasks caught him off guard. Lawrence believes that in addition to being properly prepared, the support and encouragement he received from those around him made the whole experience much easier.

He has worked with assistant plant manager, Chris Korff, for the majority of his apprenticeship. Chris describes him as a pleasure to work with, and as someone who always works hard and goes the extra mile on any task allocated to him. He lauds Lawrence as an exceptionally good apprentice with a bright future ahead of him, and someone whose achievements make him proud.

When the promising apprentice passed his trade test in January 2021, his family was incredibly excited. If his father was alive, he would be proud to see his youngest child take the first steps on his journey to realising his goals.

Looking to the future, Lawrence hopes to be his own boss one day, with his own fleet of trucks, creating employment opportunities to help others grow.



ENTERPRISE DEVELOPMENT CASE STUDY

Partnering with black female-owned business

Enterprise overview

Mosman (Pty) Ltd is a Level 1 B-BBEE, 100% black woman-owned company, supplying petroleum, oil, lubricants and allied products to a range of construction, mining, and industrial clients across all provinces of South Africa. The company was established in 2013 and holds a Department of Energy wholesale fuel licence.

Whereas other non-refining wholesalers compete mainly on price, Mosman differentiates itself in the market by providing unique, customised solutions that are designed to meet the specific needs and business objectives of their clients.

The company operates by executing a non-asset based business model and has forged strong relationships with major oil companies and logistics service providers. Mosman has established strategic partnerships with Sasol Oil (Pty) Ltd, Bohlale Energy (Pty) Ltd under the umbrella of African Rainbow Capital and Convee Trading, among others.

Our contribution

In 2020 the company joined Stefanutti Stocks's enterprise development programme.

In addition to the provision of a financial loan, the development areas for Mosman included the following:

- › Designing and printing of their company profile;
- › Professional photographs taken at one of the enterprises to which Stefanutti Stocks supplies fuel; and
- › Attendance at a Microsoft Excel training course for beginners and intermediate users, in order to support the management of budgets, data capture and analysis.



ENTERPRISE DEVELOPMENT CASE STUDY

Pamco targets higher CIDB grading

Enterprise overview

Gauteng-based contractor Pamco Waterproofing and Leaks (Pamco) is a Level 1 B-BBEE 100% black-owned business that has operated in the construction sector since 2007. The company has a Construction Industry Development Board (CIDB) Grade 2 rating and executes general construction and maintenance contracts.

Pamco serves clients in the mining, construction and property development sector, as well as blue-chip and private clients, municipalities and provincial government.

Its core business offering includes waterproofing and roof-related repairs such as tiling, sheeting, sealing and rubberising. The business also executes a range of construction projects spanning new builds, renovations, the installation of services, plastering, painting, waterproofing and roof construction.

During the 2021/2022 financial year, Pamco participated in a number of school maintenance and upgrade projects. These included an essential maintenance and repairs project valued at R190 000 at the Mokhele Secondary School, which was undertaken for Stefanutti Stocks, and a school revamp and revitalisation project valued at over R7 million, undertaken for the Tirisano Construction Fund. Given the latter project's significant value, Pamco can apply for a CIDB Grade 6 rating.

Our contribution

Pamco has been a preferred supplier to Stefanutti Stocks since 2010 and part of the group's enterprise development programme since late 2015.

The development areas for Pamco included:

- › Branded signage for two of the enterprise's site containers;
- › Payroll and HR assistance, including:
 - » Employment contracts for permanent and contract-specific staff, including tailoring contracts to fit the company's operations
 - » Informative presentation on labour laws and employment contract requirements
 - » Timesheets to keep track of time, hourly and monthly payments
 - » Branded payslips and training on how to populate pay slips and process bonuses
- › Supply of purchase order books and Confirmation of Verbal Instruction (CVI) books for project and site activity task management;
- › Production of a project construction video; and
- › Attendance at a Microsoft Excel training course for beginners and intermediate users, in order to support the management of budgets, data capture and analysis.



SOCIO-ECONOMIC DEVELOPMENT CASE STUDY

Going the extra mile for Ubuhlebemfundo Day Care Centre

Significant challenges to overcome

The Ubuhlebemfundo Day Care Centre and after school facility serves the local community in rural New Ermelo. The centre's principal, three teachers and one cook had about 50 children under their care, all of whom depend on the school's government subsidised feeding scheme.

The facility's ablution facilities were inadequate, the classrooms were in poor condition, and in January 2020, heavy flooding in the area washed one of the buildings away. With the outbreak of COVID-19, the lockdown restrictions and protocols that followed, the school's infrastructure was left severely lacking.

According to Principal Motha, the day care centre was at risk of not complying with the Department of Health's requirements, especially considering the new COVID-19 protocols. The situation was so dire that the centre was on the brink of shutting down. Unless a solution could be found, 50 children would be deprived of day care services as well as a guaranteed breakfast, lunch and snack each day.

Our contribution

As part of the Camden Power Station's flue extension, which was undertaken by Stefanutti Stocks Civils, a CSI requirement in the contract stipulated that the project must also support a community initiative.

Ubuhlebemfundo had put forward a request for assistance to Eskom, for the construction of an ablution block for the children. When the site engineer visited the centre, it was clear that there was an urgent need for more than just toilets — the centre's entire infrastructure required an upgrade.

After the team reviewed the available budget, the decision was made to install services for, and build two new classrooms and ablution facilities, as well as purchase a jungle gym, signage, a fence, and paint the interior and exterior of the whole school.

To complete the community initiative, a team from Stefanutti Stocks spent six weeks on site at the school. The total expenditure on the centre upgrade was R462 000, which exceeded the CSI requirement for the Camden Power Station project by more than R56 000.

Outcome

- › Principal Motha deeply appreciated the assistance of Eskom and Stefanutti Stocks at a time when the school could not comply with the COVID-19 regulations due to a lack of teaching space and flushing toilets. Thanks to the provision of new facilities, and once COVID-19 restrictions are lifted, the centre can accommodate 100 children.
- › Eskom's maintenance department was impressed with the potential impact of the completed initiative, saying that the classrooms fulfil the need for a conducive learning environment, and the ablution facilities meet with health and safety requirements.
- › A socio-economic advisor working for Eskom highlighted that Stefanutti Stocks had surpassed expectations and overdelivered on the initial request.



SOCIO-ECONOMIC DEVELOPMENT CASE STUDY

Computer centre for Maserunyane High School

Upgrading technology infrastructure at rural schools

There is a wide digital divide and lack of access to technology in the rural schools of South Africa.

The Maserunyane High School in Limpopo was no different. At the beginning of 2020 it was a fading, run-down educational facility, which was very concerning for Principal Sam Molaotse.

While the school was clean, with neatly turned-out students and committed teachers, the very basics that support an educational environment were severely lacking, such as the toilets and the classroom walls, ceilings and windows.

The Tirisano Development Trust is a social development funding organisation focused on empowering and enabling communities in rural areas. The trust's school infrastructure upgrade project is aimed at transforming the educational environment, and this created new opportunities for sustainable corporate social investment initiatives.

Our contribution

Stefanutti Stocks, with the assistance of an educational consultant, visited several schools in the area. Maserunyane High School was then identified as a deserving beneficiary within the Mokopane region, and one that would benefit from socio-economic development funding, with a specific focus on providing technology infrastructure.

The project's total budget of R150 000 was allocated to the installation of a computer centre at the school. The project included data linkage, equipping the centre with a projector and screen, laying all networking cabling within the computer centre, as well as 22 computer terminals, loaded with the appropriate software. To make the computer centre fully operational, training and support was provided to teachers and the school's elected champions.

The handover and opening of Maserunyane High School's computer centre took place towards the end of February 2021.

Feedback

- › The students' facial expressions were priceless when they walked into the computer centre and realised that they had access to technology.
- › Principal Sam Molaotse expressed his happiness with the addition of the school's new computer centre. He noted that this was an important step to ensuring their school was taken seriously, both in stature and as a relevant educational institution in the area.



SOCIO-ECONOMIC DEVELOPMENT CASE STUDY

Partnering with Vision 4 Change for a fourth year

A major challenge facing education

The Department of Education has identified weak eyesight as one of its major educational challenges within public schools in South Africa. Vision 4 Change is a charity that liaises between the Department, the schools, and corporate sponsors to assist with addressing this challenge.

Once all legal and procedural requirements have been met, qualified optometrists screen and test children at schools located in vulnerable communities. An official event is then organised to celebrate the hand-over of the spectacles to the children.

Providing prescription spectacles to underprivileged children with visual defects makes a positive impact on their communities, both directly and indirectly.

In the direct and immediate impact, the children benefit from improved sight, gain the ability to participate in the classroom, and have an improved outlook for their future. They are able to engage more, their academic and sporting performance improves, and they often become more confident, all of which lays a good foundation for their future growth.

The indirect impact of providing better eyesight to the children gives both parents and teachers more time to focus on effective education and creating positive environments in the family and classroom.

Our contribution

Stefanutti Stocks has supported and partnered with Vision 4 Change since 2017. The company contributed R99 500 during the year, which was used to perform eye screening and testing for 327 learners ranging from Grade R to Grade 7 at the Sifundise Primary School in the Kriel area, Mpumalanga. The school is located near the entrance to Exxaro's Matla Coal Mine, where Stefanutti Stocks Geotechnical is working on the Matla Mine Relocation Project.

Of the 327 children that were tested, 16 were found to have visual impairments and were fitted with prescription spectacles by qualified optometrists.





The handover event took place at the school on 19 March 2021 and was attended by scholars and teachers from the school, together with the Vision 4 Change team, and representatives from Exxaro and Stefanutti Stocks.

Feedback

› Vision 4 Change expressed their thanks for Stefanutti Stocks's continued support. The children and educators at the school can now function more effectively, and the children can now fully benefit from their educational opportunities.



Understanding the next generation

	Category	Details of project	Location	Progressive spend (R)	Communities with limited access to services (R)
Maserunyane High School 	Education	Set up of a computer centre, with the inclusion of a projector and screen, printer, additional desktops, installation of all network points, and tiling of the computer centre room	Mapela, Limpopo	83 349	83 349
Charlotte Manny-Maxeke Institute 	Education	Developing Girl School of Excellence – sponsorship of golf day fundraising event	Throughout South Africa	56 180	No
Ubuhlebemfundo Day Care 	Education	Construction of two new classrooms and ablution facilities, including the provision of new playground equipment, perimeter fence and school sign	Ermelo, Mpumalanga	461 805	461 805
Vision 4 Change 	Health and Education	<p>Eye testing and glasses for Primary school</p> <p>Funding for testing 327 learners and providing spectacles for 16 children who required them</p>	Kriel, Mpumalanga	99 500	No
				700 834	545 154
				ACTUAL – % to communities with limited access to services	78%
				TARGET – % to communities with limited access to services	30%

FLAWLESS EXECUTION

Zero harm – health and safety

Introduction

The good health of employees is a key focus area for Stefanutti Stocks. As the year began with the outbreak of COVID-19, the group's primary focus was on employee health from an occupational health and safety perspective.

In this regard, the organisation had to follow strict regulations and guidelines set out by governments in the countries where Stefanutti Stocks operates.

Current key focus areas

Key focus areas for the year were as follows:

- › Driving a health and safety culture
 - » COVID-19 at the workplace
- › Legal compliance
- › Effective and proactive incident management
- › ISO 45001:2018 certification

Management approach

The objectives and targets for 2021 were centred around COVID-19 and returning to work. Senior management anticipated disruptions due to COVID-19, which materialised, but employee safety was the top priority. Headed by the CEO, a task team was established to lead the group's COVID-19 response.

Management teams continue to proactively lead the occupational health and safety drive to avoid incidents. Another significant drive is to analyse the statistics on a monthly basis at all levels of the business. Trends observed are then addressed accordingly and endorsed by management.

Performance

The group obtained ISO 45001:2018 certification with an accredited international service provider. This certification means that 14 operating divisions are now under one certification.

The organisation developed a tracking tool of all COVID-19 cases to determine whether the infections and recovery rates are increasing or reducing. It also tracks the fatality rate. The statistics observed from monitoring COVID-19 cases were then used to generate awareness programmes and make critical decisions to safeguard employees.

Unfortunately, Stefanutti Stocks experienced a fatality during the year at one of its operations in Mozambique. The division conducted a full investigation and participated in the incident investigation conducted by government authorities with the view to establish facts surrounding the incident and avoid a recurrence of similar incidents. Lessons learnt from the incident investigation have been shared with the other operations for implementation across the group.

The group's lagging indicators have improved from the previous year. This has been a result of good occupational health and safety management at operational level.

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

- › Fatality rolling 12-month totals and frequency rate (FFR) benchmark: 0,00
Actual: 0,01
- › Lost-time injury 12-month totals and frequency rate (LTIFR) benchmark: 0,10
Actual: 0,03
- › Recordable case 12-month totals and frequency rate (RCR) benchmark: 0,30
Actual: 0,35

During the year, senior management remained committed to performing leadership engagements (LEs) regardless of the disruptions of COVID-19. The commitment to safety was also evident in the visible felt leadership (VFL) and site safety observations (SSO) statistics which were satisfactory.

Continuous monitoring and identification of trends

The organisation performs audits by means of an audit tool on S@S. The platform then assists with trend analysis which is discussed at management meetings.

The organisation continues to monitor employee wellness and draw trends to assist employees to improve their health standing.

Future key focus areas

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

- › Driving a health and safety culture
 - » COVID-19 at the workplace
- › Legal compliance
- › Effective and proactive incident management
- › ISO 45001:2018 first surveillance audit

NUMBER OF INCIDENTS PER SEVERITY

	2021	2020	2019
Fatality	1	1	–
Lost-time injury	2	2	2
Restricted work cases	3	4	9
Medical treatment cases	19	27	31
First aid cases	59	61	156
Total incidents	84	95	198

TOTAL SUPERVISED MAN-HOURS – 12-MONTH ROLLING (MHW)

	2021	2020	2019
Hours include contractor services without mandatory agreements (OHS Act 37.2)	14 576 675	22 746 150	23 795 151

FREQUENCY RATES

	2021	2020	2019
Fatality frequency rate	0,01	0,01	–
Lost-time injury frequency rate	0,03	0,02	0,02
Recordable case rate	0,35	0,29	0,36

PRO-ACTIVE INCIDENT MANAGEMENT

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

Per hazard	Per injury agent
Biological agent	Power tools – electrical
Moving vehicles	Caught between/crushed/nip point
Trips and slips	Fall/trip/slip at same level
Falling objects	Struck by – falling/flying/swinging object
Manual handling	Manual handling/manual labour

GROUP HEALTH PERFORMANCE

	2021	2020	2019
Total entry medicals	487	1 874	1 656
Annual surveillance	1 192	2 008	1 811
Noise-induced hearing loss (NIHL) identified	48	74	54
Tuberculosis questionnaires completed	1 592 nil referred	3 681 of which 1 was referred	3 082 of which 2 were referred
Obese	26%	21%	19%
Smokers	424	1 180	1 148
Multi-drug testing conducted (excludes employees tested by client)	1 287	3 179	2 485

HEALTH AND SAFETY ACHIEVEMENTS

MILESTONES

Division/Region	Milestone
Roads, Earthworks & Pipelines Division	9 000 000 LTI-free hours
Civils Division	7 000 000 LTI-free hours
Coastal Division	6 000 000 LTI-free hours
Mining Services Division	5 000 000 LTI-free hours
Building Western Cape Division	3 000 000 LTI-free hours
Building Gauteng Division	2 700 000 LTI-free hours
Geotechnical Division	3 years LTI-free
Eswatini Region	10 000 000 LTI-free hours
Zambia Region	3 500 000 LTI-free hours
Botswana Region	2 900 000 LTI-free hours

There were no awards due to COVID-19

Zero harm – environmental

Introduction

The industry that Stefanutti Stocks operates in uses natural resources – and environmental degradation is inevitable. Therefore, Stefanutti Stocks takes all possible measures to comply with environmental impact assessments which would be conducted in advance by the clients for whom the group performs construction work.

The group continues to monitor the six key areas that are most significant to operations – carbon emissions, energy, materials, waste, water, and credible information. These key areas inform the group's approach to environmental risk and guide the implementation of preventive measures and controls.

Current key focus areas

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

- › **Legal compliance** – the group managed and continues to conduct legal compliance audits using an external service provider's platform.
- › **Training and awareness** – most of the training that was planned for the year did not materialise as COVID-19 disrupted operations.
- › **ISO 14001 certification** – the group obtained group certification for ISO 14001:2015 management system.

Management approach

The group established an environmental forum to form or create objectives and drive good environmental practices. The forum includes Executive Committee (EXCO) members to ensure that responsibility remains a top priority.

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

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

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

Performance

Environmental management systems (EMS)

The group obtained ISO 14001:2015 certification with an accredited international service provider. This certification means that 14 operating divisions are included within one certification.

Physical environment

For the year under review, the environmental impact of the business on freshwater resources was greatly reduced. This was achieved, wherever possible, through fewer working hours due to COVID-19 and by deliberately reusing good quality water, rather than fresh water – particularly in the Construction & Mining Business Unit.

Climate change

The department of environmental, forestry and fisheries established a digital portal for organisations to register themselves if they generate greenhouse gases. This is part of the effort to establish which organisations comply with the greenhouse gas threshold which will determine the impact on carbon tax compliance.

Stefanutti Stocks consulted with two environmental specialists to understand how the new carbon tax regulations would affect the group. The group also managed to register as a user on the greenhouse gas portal as mentioned above.

Data collection

The collection of data remains one of the key pillars for maintaining compliance with environmental management. Having access to good quality environmental data provides management with clarity for improved decision making. Having restructured the business with consequent loss of key employees, the focus is to continue providing credible data.

Environmental awareness

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

"Green-Wednesdays" awareness campaigns have added valuable assistance to project staff. These campaigns will continue for the foreseeable future.

ENVIRONMENTAL COSTS

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

Expenditure
R Explanation

Treatment and disposal of waste	1 314 216	General, construction and hazardous waste disposal, portable toilet servicing through accredited service provider
External certification of management systems	158 325	ISO 14001 Certification fees
Other environmental management costs	265 776	Membership fees
Total	1 738 317	

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	Groblersbrug	Limpopo	Elaeodendron transvaalense; Combretum imberbe; Sclerocarya birrea; Boscia albitrunca; Adansonia digitata
Zandvliet Waste Water Treatment Works	Khayelitsha	Western Cape	Moraea (various bulbs); Zantedeschia aethiopica; Roepera flexuosa

BIODIVERSITY MANAGEMENT – AREAS IDENTIFIED

Project name	Owned, leased, managed, or adjacent to	Region/province	Position in relation to the protected area	Type of operation	Size of operation site in km²
Foskor Mine	Leased	Limpopo	Adjacent to	Extractive	0,06
Hammarisdale Interchange	Leased	KwaZulu-Natal	In the area	Production	0,40
Zandvliet Waste Water Treatment Works	Leased	Western Cape	In the area	Production	1,56
D'Aria	Managed	Western Cape	Adjacent to	Production	0,50
Newlands Cricket Ground	Managed	Western Cape	Adjacent to	Production	0,50
Whistling Thorns 1 & 2	Managed	Gauteng	Adjacent to	Production	0,50

CARBON EMISSIONS

	FY2021 (tCO ₂ e)	FY2020 (tCO ₂ e)	FY2019 (tCO ₂ e)	Emission factors
Scope 1	44 210,90	115 543,25	127 832,39	Diesel – 2,67kg CO ₂ e Oil – 2,97kg CO ₂ e Petrol – 2,30kg CO ₂ e LPG – 2 715,83kg CO ₂ e
Scope 2	1 959,41	3 550,87	5 286,54	1,027 tonne CO ₂ e per kWh
Gross	46 170,31	119 094,12	133 118,93	

WATER

Business unit	Municipal (kℓ)	Ground (kℓ)	Surface (kℓ)	Recycled (kℓ)
2021				
Construction & Mining	167 527	16 075	35 570	310 059
Building	79 609	1 898	–	–
Mechanical & Electrical	32 596	–	–	–
Total	279 732	17 973	35 570	310 059

kℓ – kilolitre

WATER SOURCES SIGNIFICANTLY AFFECTED BY WITHDRAWAL OF WATER

Project name	Town	Province
Barberton Mines – Harper Reclamation	Barberton	Mpumalanga
DMO	Kriel	Mpumalanga
Ga-Seleka Village	Lephalale	Limpopo
Hammarisdale	Pinetown	KwaZulu-Natal
Ikwezi Kliprand Colliery	Newcastle	KwaZulu-Natal
Pollution Control Dams	Witbank	Mpumalanga
VDD	Witbank	Mpumalanga
Vlakfontein Waste Treatment and Disposal Facility	Ogies	Mpumalanga
Zuikerbosch Sedimentation	Vereeniging	Gauteng

ELECTRICITY

Business unit	Electricity (kWh)
	2021
Construction & Mining	1 686 348
Building	981 987
Mechanical & Electrical	647 320
Total	3 315 655

kWh – kilowatt hour

ENERGY

Business unit	Electricity (GJ)	Diesel (GJ)	Petrol (Gj)	Oil (GJ)	LPG (GJ)
2021					
Construction & Mining	6 071	624 106	1 619	8 072	11
Building	3 535	9 550	201	–	–
Mechanical & Electrical	2 330	4 410	832	–	–
Total	11 936	638 066	2 652	8 072	11

GJ – Gigajoules

WASTE

Business unit	Waste type	
	Hazardous (tonnes)	General (tonnes)
	2021	2021
Construction & Mining	4 760	35 230
Building	584	24 621
Mechanical & Electrical	6 585	147
Total	11 929	59 998

Carbon footprint

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

Carbon emissions

The baseline and target for 2021 are set as a weighted average for the past two years at 108 000,81 tonnes. Refer to the carbon emissions table on page 32.

Water

The total water used by Stefanutti Stocks for the year under review was 333 275kℓ, which is calculated as total water used excluding recycled water. The water intensity for the group's total operations is (total water used/ supervised man-hours): 333 275/14 576 675 = 0,02kℓ/MHW.

In South Africa, water continues to be a scarce natural resource. As such, Stefanutti Stocks continued to focus on decreasing water use across all sites and has managed to significantly decrease overall water use from 1 582 045kℓ in the previous year to 333 275kℓ. This is largely reduced by work stoppages due to COVID-19.

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

Electricity

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

The group's electricity intensity equals the total electricity used in mWh divided by the total man-hours worked (MHW): 3 315,66/ 14 576 675 = 0,00023 mWh per MHW.

Energy

Energy intensity equals the total energy consumed in GJ divided by the total man-hours worked: 660 737/14 576 675 = 0,045 GJ/MHW.

Waste

Hazardous and general waste are the two main streams of waste generated by the group's operations. 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.

In addition, hazardous waste is broken down further into liquid (hydrocarbon and sewage) and solid (contaminated soil) forms of hazardous waste. For the year under review, hazardous waste per man-hour worked is 11 929 tonnes/ 14 576 675 = 0,00082 tonnes/MHW.

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

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

Future key focus areas

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

- › Legal compliance
 - › Carbon tax compliance
- › ISO 14001:2015 maintenance and surveillance audit
- › Increase environmental awareness
- › Sustainability reporting

Proper planning prevents poor performance – quality management

Current key focus areas

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

- › **Standardise the management systems –** The management system was standardised sufficiently to undergo the certification process. Further improvements are required for the following year.

› Trend analysis of:

- › **Customer satisfaction surveys** The surveys are used by all divisions and are tracked monthly to analyse trends
- › **Non conformances** Non-conformance trends are tracked monthly
- › **Daily diary** A daily diary sub module has been developed for projects. It is widely used, and the usage is tracked monthly
- › **ISO 9001:2015 certification** Certification was achieved

Performance

In keeping with modernisation of the business, an electronic daily diary was developed to simplify yet standardise how daily diaries are filled and kept. This exercise will also ensure that the group becomes environmentally friendly.

The group identified management systems and their certification as business imperatives, yet there is a financial implication to this. Therefore, EXCO tasked the quality forum to investigate reducing the cost of running and certifying a management system. To this end, the quality forum has managed to certify all 14 operating divisions under one certificate and subsequently identify cost savings during the exercise.

Management approach

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

Future key focus areas

The Quality Forum will be focusing on the following key aspects:

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

Relationships with construction partners and supply chain

Introduction

Stefanutti Stocks has a group policy that covers the general terms and conditions for procurement. In addition to implementing a Vendor Management System (VMS), the Vendor Management Forum has formally established the Buyer Forum and Vendor days. These initiatives form part of the group's focus on professionalising its supply chain relationships, as well as the procurement strategy, which guides how Stefanutti Stocks engages with vendors at every step of the process. Due to the COVID-19 pandemic and the associated national restrictions, the annual vendor day activities have been suspended.

Before the vendor management process starts, it is crucial to identify business goals that require vendor management. This assists in understanding the requirements of every business unit and prevents duplication of efforts and wastage of resources in terms of selecting and contracting with vendors. In addition, it also assists with the stage of measuring and evaluating vendor performance as these goals establish appropriate metrics.

This is the third reporting period after the initial rollout of these initiatives and the centralisation of vendor information and data. The focus during the year under review was to improve the integrity of the data and systems. It is important that the group understands the benefits and challenges of vendor management in order to implement an effective process to guide the group's engagement with vendors and ensure that they deliver maximum value to the business.

Current key focus areas

Vendor management system (VMS)

To facilitate the dissemination of vendor information across the group, the development of the VMS has been a significant achievement. The VMS centralises all vendor-related information in one system, enabling employees to source any required information and simplify the reporting process.

It is important for the group to have a centralised data storage solution for managing vendor data which seeks to enable better resource allocation and improved efficiency.

Integration with BuildSmart, the group's accounting software, continues to provide business intelligence that was previously difficult to obtain. Some of this reporting functionality allows monthly monitoring and management of the group's B-BBEE expenditure which supports both projects and the business alike.

Vendor management forum

As a result of a group restructure and conglomeration of various departments, the formerly established buyer's forum was reinstated as the Vendor Management Forum. The purpose of the forum is largely in line with the previous forum's drive to implement and maintain appropriate vendor management throughout the BUs, in order to benefit from a larger selection of vendors, for better options and ultimately improved costs. This also gives the group an integrated view of the performance of all its vendors and measurement with organisational standards and criteria.

The purpose of the forum is as follows:

- › Improved co-operation and alignment between divisions and BUs in buying
- › Enhancing co-operation and sharing of knowledge
- › Improving spend regarding B-BBEE targets
- › Continuing to develop the VMS
- › Considering annual preferred tenders for the company
- › Improving networking and communication within the wider forum
- › Promoting constructive relationship development with vendors

The move to a centralised group VMS has minimised the following procurement challenges:

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

Vendor days

Enhancing relationships between management and vendors is key to successful project completion. Collaboration allows Stefanutti Stocks and its vendors, as well as Enterprise Development Partners, to brainstorm innovative ideas about how value-creation can be maximised from the partnership.

While engaging with vendors, it is necessary to clearly define the requirements of the group and the expectation from vendors. The vendors are informed about the current and future requirements and how they align with the group's objectives. This contributes to a better understanding of one another and more effective collaboration. This in turn helps the group to set benchmarks, reduce risks related to vendor performance and compliance, and evaluate its vendors.

The vendor relationship management process focuses on the 'human aspect' of vendor management. Ultimately, the vendors are represented by people and Stefanutti Stocks values its vendor relationships. Building lasting and meaningful relationships with vendors, especially with critical vendors, is one of the group's priorities.

Engagement with vendors has been significantly impacted amid the global COVID-19 pandemic lockdown and imposed restrictions. However, it has remained a focus of Stefanutti Stocks to ensure that relationships with both preferred and potential vendors strategically align to achieving the group's goals and expectations.

Management approach

While cost has been the primary selection criterion for choosing vendors, the group is increasingly looking at other criteria to determine which vendors would best serve requirements, as the lowest cost does not guarantee the greatest value. Other criteria need to be considered to select vendors such as: financial stability, previous experience, B-BBEE status, health and safety record, on-time delivery, quality procedures followed by the vendor, economies of scale and their legal/regulatory records. It is important to consider all these criteria to form a holistic assessment of the group's vendors.

Continued future key focus areas

The following are some of the focus areas that are monitored, reviewed and maintained continuously for effective operations:

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

ENVIRONMENTAL CASE STUDY

EXTENDING THE FLEET'S OIL CHANGE INTERVALS

Cost-saving engineering studies

Stefanutti Stocks has enhanced its environmental performance and operational efficiencies by doubling the filtration service life on its fleet of Komatsu HD 465 rigid dump trucks. This latest engineering milestone follows the completion of an onboard engine filtration study, which achieved oil drain interval optimisation.

In 2017, Stefanutti Stocks became the first South African company to conduct an optimum oil drain interval (ODI) field study, the purpose of which was to increase the oil drain intervals of its rigid dump truck fleet. Prior to the ODI study, ExxonMobil and Bureau Veritas provided a performance monitoring protocol.

Data was gathered by analysing regular used oil and the performance of the vehicles was carefully monitored. When the oil drainage interval was successfully increased from 500 to 1 000 operating hours, Stefanutti Stocks would save R4,7 million and this paved the way for the company to conduct its filtration study, while minimising potential risks.

Following this was the combined optimum oil drain interval study and contamination control study, supported by AGL Centlube, ExxonMobil, Bureau Veritas and Cummins Filtration Services and conducted on the same Komatsu fleet. The aim was to increase engine filtration component effectiveness and sync with the oil drain intervals by extending replacement intervals from 500 hours to 1 000 hours.

Working together with Cummins Filtration Services, Stefanutti Stocks's engineering team fitted a filtration system, with data logger and pressure transducers across the air, oil and fuel filters. Conclusive results were provided after an assessment indicated that fuel cleanliness, engine air filtration and engine oil filtration were fit-for-purpose for up to 1 183 hours.

The lubricant used in the filtration study was Mobil Delvac MX 15W40, which the oil analysis indicated offered superior viscosity and total base number retention, as well as soot handling capability. The extended life of the oil translated to an improvement of approximately 20% beyond the targeted intervals of 1 000 hours. Another innovation arising from the study was the mounting of an external air restriction indicator that switches from green, to orange, to red, to indicate when the air filtration service is due.

Outcomes

The successful filter package extension study yielded the following positive outcomes:

Safety

Exposure reduction of

950 hours

Environmental care

Environmental improvement of

23 199ℓ

due to the oil extension

Revenue improvement

R1 597 404

as a result of reduced filtration costs

Conclusion

While oil and filters are not high-cost items, the productivity lost while vehicles are serviced is substantial and the outcomes above do not reflect these indirect savings. These results and outcomes are highly relevant to the business as the combined optimum oil drain interval study and contamination control study took place in real operational conditions and not within a controlled laboratory environment.

CLIENT RELATIONS

Overview

It has become more evident during the year that a solid relationship with clients is critical to sustaining a formidable business. The uncharted waters of the COVID-19 pandemic were a learning curve for all businesses, with the group and its clients being in the same boat. The pandemic has highlighted the importance of communication with clients.

The gradual return to work within South Africa under COVID-19 regulations stipulated by government has taken the collaboration with clients to greater heights.

Client management

Stefanutti Stocks handles client management by understanding the client requirements at tender stage and catering for those requirements. The next stage is on commencement of a project where a comparison must be drawn between the tender and contract document to ensure alignment with the clients' requirements.

The final stage covers managing the project by means of contractual meetings, customer satisfaction surveys and regular ad-hoc visits to establish and maintain relations on a high level.

This process is similarly managed for sub-contractors as clients only recognise the main contractor.

Communication with clients

Stefanutti Stocks has maintained communication with clients by means of contractual meetings and customer satisfaction surveys.

It was acknowledged by the EXCO that such methods of communication have yielded positive results. The other aspect highlighted by the EXCO was the need to address all concerns raised from communications with clients.

Customer satisfaction survey

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

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

The benchmark for the year remained "4" or 80% for the surveys captured.

Trend analysis

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

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

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

Conclusion

The group's repeat work record has demonstrated that client relations remain one of Stefanutti Stocks's business imperatives, making the engagement process with clients an important part of understanding any issues and implementing improvement measures to further improve relations.

CUSTOMER SATISFACTION SURVEY TREND ANALYSIS REPORT (AVERAGE PER SECTION)

TIME

4,24

COST

4,04

QUALITY

4,29

SHE

4,38

GENERAL

4,38

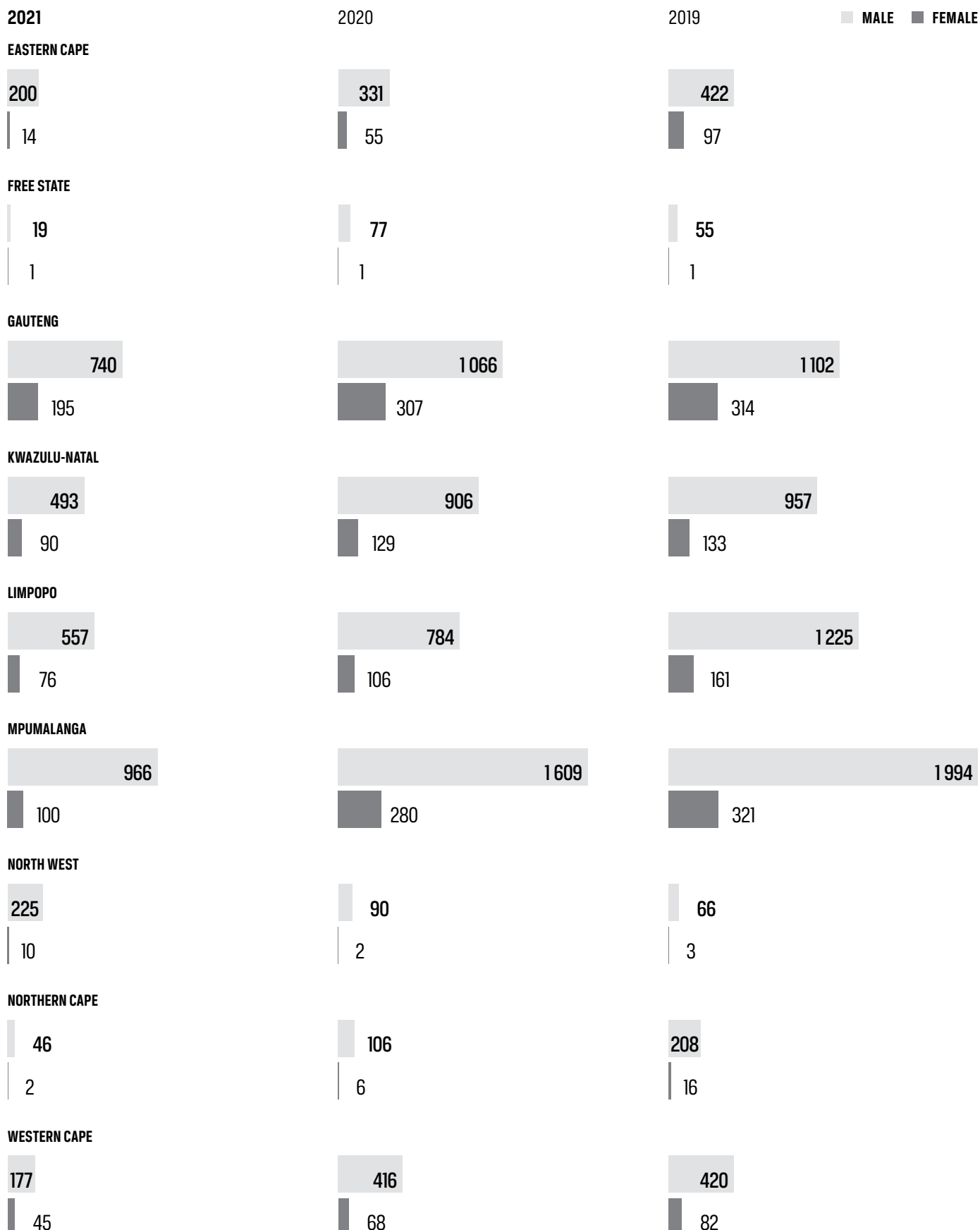
CULTURE

4,39

Note: Average scores above are out of 5.

ADDITIONAL INFORMATION

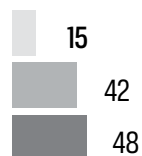
HEADCOUNT BY REGION: RSA OPERATIONS



HEADCOUNT BY AGE GROUP: RSA OPERATIONS – PERMANENT EMPLOYEES

2021 2020 2019

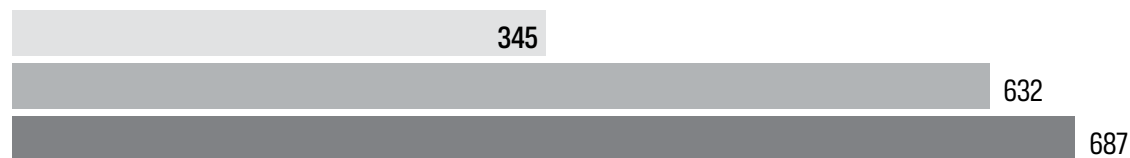
18 - 24 YEARS



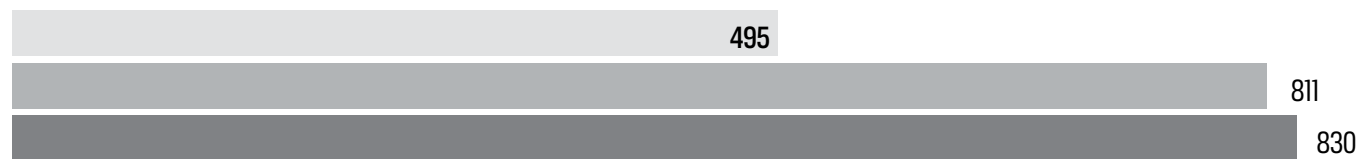
25 - 29 YEARS



30 - 34 YEARS



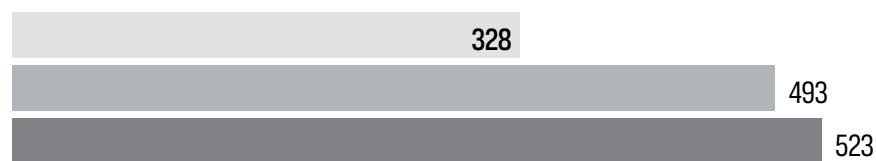
35 - 39 YEARS



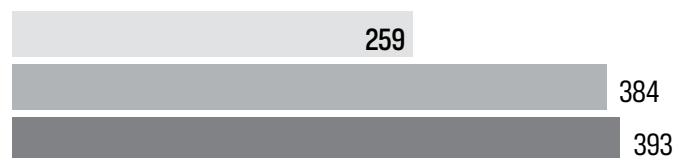
40 - 44 YEARS



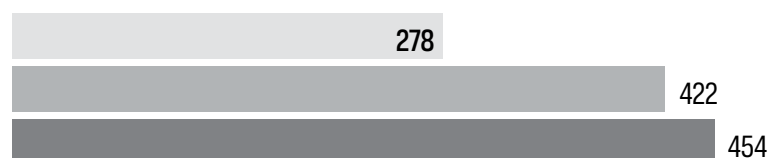
45 - 49 YEARS



50 - 54 YEARS



55+ YEARS



TERMINATION PERCENTAGES ARE CALCULATED BY USING AVOIDABLE EMPLOYEE TURNOVER AS A PERCENTAGE OF THE 2021 HEADCOUNT

AVOIDABLE EMPLOYEE TURNOVER: TERMINATIONS BY AGE GROUP

Age group	2021			2020			2019		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
18 to 19	–	5	–	–	7	–	–	4	–
20 to 24	6	102	5,9	20	160	12,5	29	272	10,7
25 to 29	57	414	13,8	106	765	13,9	158	1 114	14,2
30 to 34	72	671	10,7	136	1 208	11,3	206	1 522	13,5
35 to 39	78	854	9,1	136	1 343	10,1	161	1 530	10,5
40 to 44	53	662	8,0	66	963	6,9	77	1 109	6,9
45 to 49	28	512	5,5	70	735	9,5	56	818	6,8
50 to 54	16	360	4,4	43	540	8,0	42	567	7,4
55+	23	376	6,1	26	618	4,2	35	641	5,5
Total	333	3 956	8,4	603	6 339	9,5	764	7 577	10,1

AVOIDABLE EMPLOYEE TURNOVER: TERMINATIONS BY REGION/PROVINCES

Region	2021			2020			2019		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
Eastern Cape	11	214	5,1	70	386	18,1	31	519	6,0
Free State	1	20	5,0	2	78	2,6	6	56	10,7
Gauteng	88	935	9,4	132	1 373	9,6	127	1 416	9,0
KwaZulu-Natal	33	583	5,7	90	1 035	8,7	64	1 090	5,9
Limpopo	32	633	5,1	72	890	8,1	110	1 386	7,9
Mpumalanga	88	1 066	8,3	132	1 889	7,0	343	2 315	14,8
North West	5	235	2,1	17	92	18,5	10	69	14,5
Northern Cape	8	48	16,7	32	112	28,6	16	224	7,1
Western Cape	67	222	30,1	56	484	11,6	57	502	11,4
Total	333	3 956	8,4	603	6 339	9,5	764	7 577	10,1

AVOIDABLE EMPLOYEE TURNOVER: TERMINATIONS BY GENDER

Gender	2021			2020			2019		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
Male	286	3 423	8,4	525	5 385	9,7	666	6 449	10,3
Female	47	533	8,8	78	954	8,2	98	1 128	8,7
Total	333	3 956	8,4	603	6 339	9,5	764	7 577	10,1

AVOIDABLE EMPLOYEE TURNOVER: TERMINATIONS BY RACIAL GROUP

Racial group	2021			2020			2019		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
African	247	3 268	7,6	424	5 354	7,9	610	6 369	9,6
Coloured	12	142	8,5	42	198	21,2	43	288	14,9
Indian	4	94	4,3	16	130	12,3	12	151	7,9
White	70	452	15,5	121	657	18,4	99	769	12,9
Total	333	3 956	8,4	603	6 339	9,5	764	7 577	10,1

AVOIDABLE EMPLOYEE TURNOVER: TERMINATIONS BY OCCUPATIONAL LEVEL

Occupational level	2021			2020			2019		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
Top management	–	6	–	–	6	–	–	20	–
Senior management	10	67	14,9	10	89	11,2	7	87	8,0
Professional	41	239	17,2	67	336	19,9	38	367	10,4
Skilled	87	845	10,3	154	1 257	12,3	162	1 458	11,1
Semi-skilled	132	1 461	9,0	190	2 740	6,9	340	3 188	10,7
Unskilled	63	1 338	4,7	182	1 911	9,5	217	2 457	8,8
Total	333	3 956	8,4	603	6 339	9,5	764	7 577	10,1

NEW APPOINTMENT PERCENTAGES WERE CALCULATED BY USING TOTAL NEW APPOINTMENTS AS A PERCENTAGE OF THE TOTAL 2021 HEADCOUNT**NEW APPOINTMENT % PER AGE GROUP**

Age group	2021			2020			2019		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
18 to 19	5	5	100,0	7	7	100,0	5	4	125,0
20 to 24	90	102	88,2	136	160	85,0	250	272	91,9
25 to 29	267	414	64,5	392	765	51,2	706	1 114	63,4
30 to 34	266	671	39,6	458	1 208	37,9	721	1 522	47,4
35 to 39	299	854	35,0	407	1 343	30,3	554	1 530	36,2
40 to 44	209	662	31,6	304	963	31,6	357	1 109	32,2
45 to 49	158	512	30,9	176	735	23,9	195	818	23,8
50 to 54	85	360	23,6	121	540	22,4	128	567	22,6
55+	72	376	19,2	137	618	22,2	125	641	19,5
Total	1 451	3 956	36,7	2 138	6 339	33,7	3 041	7 577	40,1

NEW APPOINTMENT % PER REGION

Region	2021			2020			2019		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
Eastern Cape	134	214	62,6	244	386	63,2	349	519	67,2
Free State	2	20	10,0	16	78	20,5	7	56	12,5
Gauteng	142	935	15,2	301	1 373	21,9	300	1 416	21,2
KwaZulu-Natal	245	583	42,0	500	1 035	48,3	624	1 090	57,2
Limpopo	233	633	36,8	278	890	31,2	721	1 386	52,0
Mpumalanga	372	1 066	34,9	386	1 889	20,4	662	2 315	28,6
North West	115	235	48,9	118	92	128,3	37	69	53,6
Northern Cape	6	48	12,5	134	112	119,6	205	224	91,5
Western Cape	202	222	91,0	161	484	33,3	136	502	27,1
Total	1 451	3 956	36,7	2 138	6 339	33,7	3 041	7 577	40,1

NEW APPOINTMENT % PER GENDER

Gender	2021			2020			2019		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
Male	1 248	3 423	36,5	1 827	5 385	33,9	2 531	6 449	39,2
Female	203	533	38,1	311	954	32,6	510	1 128	45,2
Total	1 451	3 956	36,7	2 138	6 339	33,7	3 041	7 577	40,1

NEW APPOINTMENT % PER RACIAL GROUP

Racial group	2021			2020			2019		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
African	1 326	3 268	40,6	1 911	5 354	35,7	2 728	6 369	42,8
Coloured	56	142	39,4	95	198	48,0	140	288	48,6
Indian	5	94	5,3	17	130	13,1	41	151	27,2
White	64	452	14,2	115	657	17,5	132	769	17,2
Total	1 451	3 956	36,7	2 138	6 339	33,7	3 041	7 577	40,1

NEW APPOINTMENT % PER OCCUPATIONAL LEVEL

Occupational level	2021			2020			2019		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
Top management	–	6	–	–	6	–	–	20	–
Senior management	5	67	7,5	6	89	6,7	3	87	3,4
Professional	24	239	10,0	49	336	14,6	41	367	11,2
Skilled	134	845	15,9	252	1 257	20,0	321	1 458	22,0
Semi-skilled	547	1 461	37,4	739	2 740	27,0	1 138	3 188	35,7
Unskilled	741	1 338	55,4	1 092	1 911	57,1	1 538	2 457	62,6
Total	1 451	3 956	36,7	2 138	6 339	33,7	3 041	7 577	40,1

BURSARY SPEND

	Bursary students (Cat A)					Bursary spend (including stipends)				
	All	Female	Female (%)	Black	Black (%)	R'000 All	R'000 Female	Female (%)	R'000 Black	Black (%)
2021										
Total RSA citizens	58	18	31,0	34	58,6	2 197	951	43,3	1 757	80,0
Construction & Mining	35	10	29,0	18	51,4	3 899	600	46,4	977	75,6
Building	16	8	50,0	13	81,25	679	351	51,69	643	94,7
Mechanical & Electrical	7	–	–	6	42,9	225	–	–	137	60,8
2020										
Total RSA citizens	84	32	38,1	59	70,2	2 819	996	35,3	2 284	81,0
Construction & Mining	41	17	41,5	24	58,5	1 293	600	46,4	977	75,6
Building	36	15	41,7	32	88,9	1 301	396	30,4	1 170	89,9
Mechanical & Electrical	7	–	–	3	42,9	225	–	–	137	60,8
2019										
Total RSA citizens	86	41	47,7	67	77,9	3 846	1 644	42,7	3 273	85,1
Construction & Mining	44	26	59,1	32	72,7	2 898	1 501	51,8	2 485	85,7
Building	38	15	39,5	33	86,8	786	143	18,2	661	84,1
Mechanical & Electrical	4	–	–	2	50,0	162	–	–	127	78,4

Broad Based Black Economic Empowerment Verification Certificate

A Consolidated Verification Certificate Issued to

Stefanutti Stocks (Pty) Ltd

Level 1 Contributor

Measured Entity

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

B-BBEE Status

B-BBEE Status Level	Level 1		
Element Points Obtained	EO: 23.04 points; MC: 10.85 points; SD: 25.1 points; ESD: 35.61 points; SED: 6 points		
Discounting Principle Applied	No	Measurement Period Year End	29/02/2020
Empowering Supplier	Yes		

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

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

Black Voting Rights	81.39%	Black Women Voting Rights	8.41%
Black Economic Interest	81.27%	Black Women Economic Interest	8.34%
51% Black Owned *	Yes	30% Black Women Owned *	No
Black Designated Groups	0.00%	Normal Flow Through Principle Applied	

Issue Date 17/08/2020
Expiry Date 16/08/2021
Certificate Number ELC9489-2RGENBBCON replacing ELC9489RGENBBCON
Version Final - Revised 18/9/2020
Applicable Scorecard Amended Construction - Generic Contractor
Applicable BBEE Codes Amended Construction Sector Codes Gazetted 1 December 2017



EmpowerLogic (Pty) Ltd

Reg. No. : 1995/000523/07

BBBEE Verification Agency

Per Gianna Le Roux

Member - Verification Committee



SANAS Accredited

BVA018

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

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

www.empowerlogic.co.za

ABBREVIATIONS AND DEFINITIONS

"B-BBEE"

Broad-based black economic empowerment

"BU"

Business unit

"CEO"

Chief Executive Officer

"CIDB"

The Construction Industry Development Board

"CIPC"

Companies and Intellectual Property Commission

"CLOs"

Community Liaison Officers

"CSI"

Corporate social investment

"ED"

Enterprise development

"EE"

Employment Equity

"EME"

Emerging micro enterprise

"EMS"

Environmental Management System

"EXCO"

Executive Committee

"FFR"

Fatality frequency rate

"GBCSA"

Green Building Council of South Africa

"HR"

Human resources

"ISO"

International Organization for Standardization

"JSE"

Johannesburg Stock Exchange

"LE"

Leadership engagement

"LTI"

Lost-time injury

"LTIFR"

Lost-time injury frequency rate

"OHS"

Occupational health and safety

"OHSE"

Occupational health, safety and the environment

"OHS MS"

Occupational health and safety management system

"PPE"

Personal protective equipment

"QMS"

Quality management systems

"QSE"

Qualifying Small Enterprises

"RCR"

Recordable case rate

"RSA"

Republic of South Africa

"S@S"

Systems at Stefanutti Stocks

"SED"

Socio-economic development

"SHE"

Safety, health and environmental

"SHEQ"

Safety, health, environment and quality

"SSO"

Site safety observations

"TB"

Tuberculosis

"the current year"

The financial year ended 28 February 2021

"the next year"

The financial year ended 28 February 2022

"the previous year"

The financial year ended 29 February 2020

"VFL"

Visible felt leadership

"VMS"

Vendor management system

"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

Directors

As at 21 June 2021: ZJ Matlala* (Chairman); HJ Craig*; B Harie*;
BP Silwanyana*; JM Poluta* (alternate to BP Silwanyana); DG Quinn*;
RW Crawford (CEO); Y du Plessis (Acting CFO)

* Independent non-executive directors.

Company Secretary

WR Somerville

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Auditors

Mazars

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Computershare Investor Services (Pty) Ltd

Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

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Sponsor

Bridge Capital Advisors (Pty) Ltd

10 Eastwood Road, Dunkeld, 2196

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Bankers

Absa Bank Limited

Banco Comercial e de Investimentos

Banco Internacional de Moçambique

Eswatini Bank Limited

First National Bank, a division of FirstRand Bank Limited

First National Bank Botswana Limited

First National Bank Eswatini, a division of FirstRand Bank Limited

Nedbank Limited

Nedbank Eswatini Limited

Société Générale Moçambique

Stanbic Bank Botswana Limited

Stanbic Bank Zambia Limited

Standard Bank Eswatini

United Bank for Africa Zambia Limited

Website

www.stefanuttistocks.com

