



Sustainability Report '20



Contents

About this report	1
COVID-19 response	2
Company profile	4
Sustainable development goals	6
Group management system framework	7
Stakeholder engagement	8
Material issues	10
Value-added statement	11
Group performance review	12
Energised and engaged employees	14
Skills development case studies	22
Enterprise development case studies	24
Socio-economic development case study	28
Voluntary Rebuild Programme 2020 Axsys Projects	29
2020 SED spend	30
Flawless execution	31
Environmental case study	40
Client relations	41
Additional information	42
Abbreviations and definitions	49
Corporate information	50

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 29 February 2020 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 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 29 February 2020, 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. Stefanutti Stocks disclaims any duty to update the information herein.



BP Silwanyana

Chairman of the Social and Ethics Committee

18 August 2020

OUR BUSINESS UNITS

The Stefanutti Stocks Integrated Annual Report 2020 continues using an icon system to represent its three business units.

These icons represent **CONSTRUCTION & MINING**, **BUILDING** and **MECHANICAL & ELECTRICAL** from left to right.



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

COVID-19 RESPONSE

Overview

On 31 December 2019, the World Health Organization (WHO) reported a cluster of pneumonia cases in Wuhan City, China. "Severe Acute Respiratory Syndrome Coronavirus 2" (SARV-CoV-2) was confirmed as the causative agent of what is now known as "Coronavirus Disease 2019" (COVID-19). Since then, the virus has been identified as a pandemic and has spread across the world, including to South Africa.

The first known and laboratory confirmed case of COVID-19 in South Africa was reported on 5 March 2020. In efforts to prevent an unimpeded spread of COVID-19 and to provide time for the South African National Department of Health to prepare for the expected, eventual, increase in community transmission cases, a National State of Disaster was declared by President Cyril Ramaphosa on 15 March 2020, in accordance with the provisions of the Disaster Management Act, 2002.

An initial 21-day lockdown was implemented from 27 March 2020, which was extended until the end of April. During this period, all South Africans were confined to their homes except to access healthcare and to purchase essential goods. Only essential services were permitted to operate during this lockdown period. Stefanutti Stocks operations were not classified as essential services, with the exception of certain contract mining projects. All other operations were therefore halted during the lockdown.

On 1 May 2020 South Africa adopted a risk-based strategy combatting and responding to the spread of COVID-19 and commenced with a staggered re-opening of business and the economy. Certain operations of Stefanutti Stocks were permitted to return to work, although all operations were required to adopt a staggered return to work. Stefanutti Stocks operations commenced the return to work and were fully operational from 1 June 2020.

Stefanutti Stocks fully supports the efforts of the South African Government to prevent the spread of COVID-19 and, where this is not possible, to work towards slowing the spread in order to "flatten the curve".

COMPLIANCE WITH COVID-19 REGULATIONS

As the economy has continued to increasingly open up, Stefanutti Stocks has ensured that it has taken all reasonably practical measures to safeguard the health of employees while they are at work and to prevent, as far as it is able, the spread of COVID-19 in its workplaces.

COVID-19 COMPLIANCE MEASURES

In efforts to prevent the spread of COVID-19 in its workplaces Stefanutti Stocks has implemented a number of measures, guided by its statutory obligations as an employer, to identify and control risks to employees. These measures, informed by the required hazard identification and risk assessment on COVID-19 in the workplace have been set out in the required workplace readiness plans and COVID-19 policies.

The measures implemented have been communicated to employees and specific supervisors appointed to ensure that all employees comply with these policies. All persons working for or on behalf of Stefanutti Stocks must adhere to these measures when entering and while in their respective workplaces.

Measures taken will be consistently assessed to ensure that they remain appropriate, in line with legislative obligations and based on the best available scientific and medical advice. The types of measures that have been implemented include those to ensure safe social distancing (including minimising the number of employees at the workplace at any one time, while ensuring the safety of personnel), increased hygiene and sanitisation of workplaces and ensuring adequate facilities for employees to frequently wash or sanitise their hands, employee symptom screening and provision of information regarding COVID-19 and the procedures to follow to limit risk of contracting the virus and the provision of appropriate personal protective equipment. Vulnerable employees have been identified and special measures have been taken to safeguard their health while at work, where they are not able to work from home. All employees have been provided with cloth masks and are required to wear these while commuting to and from and while at the workplace.

COVID-19 CASES IN THE WORKPLACE

Stefanutti Stocks has a strict no discrimination policy, which applies equally in respect of any employee who may contract COVID-19. Stefanutti Stocks is committed to working to break any stigma that may be associated with contracting COVID-19 and to encouraging all employees to seek any medical advice they may require and to comply with all self-isolation or quarantine obligations.

In the event of a positive case, all statutory reporting and investigation will be performed and Stefanutti Stocks will provide all required administrative support to the contact tracing procedures of the Department of Health.

The Stefanutti Stocks Way

FLAWLESS EXECUTION

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

ENERGISED AND ENGAGED EMPLOYEES

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

CLIENT RELATIONS

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

Company profile

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

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

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

All group operations are registered with the Construction Industry Development Board (CIDB) as a Category 9 Contractor, which places no limitations on the project size for which the group can tender. Furthermore, the group is also ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified.

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

Stefanutti Stocks's headquarters is based in Kempton Park, Gauteng and it employs a global workforce of 9 768 with 6 339 employees throughout South Africa.

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.

VISION

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

MISSION

**excellence
in execution**



Category 9 6 339

CIDB CONTRACTOR

EMPLOYEES IN SOUTH AFRICA

9 768

GLOBAL WORKFORCE

Regional operations
in Africa and United
Arab Emirates

VALUES

CANDOUR

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

ACCOUNTABILITY

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

PEOPLE RELATIONS

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

PROFESSIONALISM

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

EXCELLENCE

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

DYNAMIC

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

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

Sustainable development goals

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

More information on the sustainable development goals can be found on the United Nations website:

www.un.org



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.



Group management system framework

EXECUTIVE COMMITTEE

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

SUSTAINABILITY

Chairman – Mike Sikhakhane

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

HUMAN RESOURCES

Chairman – Mike Sikhakhane

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

QUALITY

Chairman – Derek Du Plessis

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.

PROCUREMENT

Chairman – Mark Snow

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

COMMERCIAL AND LEGAL

Chairman – Antonio Coccianti

The forum acts in a coordination and standardisation role with respect to matters such as legal agreements, guarantees, delegations of authority and general commercial matters affecting the group's operations.

OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENT

Chairman – Vince Olley

To establish environmental management system (EMS) and 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.

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, sunsetting 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 FORUM

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

Continuous 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 the 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 pension fund and medical aid 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.

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 will conduct 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 will conduct the survey and focus areas will include (as in the past surveys) safety, quality, transformation, productivity, communication, systems and company values among others.

LOCAL COMMUNITIES

Stefanutti Stocks's relationship with local communities can be described as symbiotic and in the current political and socio-economic environment, upfront community engagement is especially vital to ensure successful project delivery. It furthermore 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 also finds that communities have intimate knowledge and a unique relationship with their respective areas/environments and are a source of information in identifying 'unknown' constraints that could potentially directly impact the successful execution and therefore profitability of projects.

To facilitate open communication, various platforms are created on each project where progress updates are presented, while providing an opportunity for all stakeholders to table concerns and queries.

Project Community Liaison Officers are employed on projects with the primary role of day-to-day communication with local community leaders, assisting with recruitment requirements and acting as the community spokespersons.

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

TRADE UNIONS

The main role of trade unions is to ensure the welfare of members such as safeguarding their interests, protecting the reliability of their trade and achieving higher wages by securing economic benefits.

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

Three institutions have also been created to further the goals of reducing industrial relations conflict, and both eliminating unfair discrimination and redressing past discrimination in the workplace: the National Economic Development and Labour Council (NEDLAC), the Labour Court, and the Council for Conciliation, Mediation and Arbitration (CCMA).

1 997 employees belong to trade unions, which represents 41,7% 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.

The Labour Relations Act was passed in 1995, and subsequently experienced major amendments in 1996, 1998 and 2002. Its stated purpose is to "give effect to section 27 of the Constitution" by regulating organisational rights of trade unions, promoting collective bargaining, regulating the right to strike and the recourse to lockouts, as well as providing mechanisms for dispute resolution and the establishment of Labour Court and Labour Appeal Court as superior courts, "with exclusive jurisdiction to decide matters arising from the Act". The Act also addresses employee participation in decision-making, and international law obligations in respect to labour relations.

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

Clients are among the most important sustainability aspects of the business and form one of the three pillars of the Stefanutti Stocks Way. Group culture focuses on developing and maintaining client relationships and providing services and products that are executed and delivered beyond the client's expectations. The group adopts a solutions-driven, teamwork approach when interacting with clients and their professional teams, promoting a candid and professional relationship of inclusivity. Top and senior management develop and maintain client relationships by regular and personalised contact. This lays the foundation for a successful project and a satisfied client.

Clients benefit from the group's diversified service offering which plays a significant role in its future sustainability. Where available, multidisciplinary projects provide business units and their divisions with opportunities to deliver projects to clients, on time and in line with expectations — managed by one execution team with a single point of contact. This capability offers clients a seamless integration of various disciplines, a unified approach to health and safety and streamlined procurement and project commissioning and handover.

In addition, the group strives to ensure that alternative procurement and execution methods are communicated which may lead to a reduction in cost.

Trust is created by having a sound understanding of clients' needs and surpassing their expectations which greatly improves the prospects of obtaining repeat business. These relationships, in conjunction with assisting with complimentary feasibility pricing, allows for early interactions on potential projects and provides invaluable intelligence on market prospects and opportunities.

Measuring client satisfaction is a prerequisite and this is an aspect that will be focused on in the coming year by centralising survey results for better analysis. In addition, the group has embarked on a more robust and standardised approach to undertake these.

Stefanutti Stocks is focused on continually improving customer relations across all sectors of the organisation. Through the effective problem-solving techniques and alternative procurement and execution methods applied on a continuous basis by the company's dedicated and competent employees, its relationships with clients and service providers will strengthen.

SUPPLIERS

Suppliers are an important stakeholder and as a result, the group continually strives to enhance relationships with existing suppliers as well as to identify new suppliers. Stefanutti Stocks initiated a drive to further strengthen its relationships with suppliers. A Vendor Day initiative takes place every four months and sessions are held at each of the main centres in Johannesburg, Pinetown, Cape Town and Eswatini (Swaziland). Key personnel from suppliers and Stefanutti Stocks attend these sessions which are undertaken as informal networking sessions. The group has used the feedback from suppliers and staff to enhance the value of these sessions.

A planned and structured monthly plant supplier meeting schedule is set up and distributed at the beginning of each year, detailing the date and time allocated for each supplier meeting. Suppliers are ranked in terms of key performance criteria which forms part of meeting the objectives. The process results in the management teams of both the supplier and the group's plant departments being informed of focus areas for improvement to ensure progress is made on key performance objectives.

ENTERPRISE DEVELOPMENT (ED) PARTNERS

The group's ED strategy is to establish and maintain solid working relationships with capable black-owned companies (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, challenging projects.

The business unit management teams identify and select the ED partner beneficiaries to synergise with group operations. Refer to page 24 of the sustainability report for more information on the group's ED approach and activities.

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 VRP is discussed in further detail on page 29 of the sustainability report.

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 take the form of 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 with regard to the group's performance and strategic progress to employees, the media, institutional investors and financial analysts.

General company information in the form of 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 	<ul style="list-style-type: none"> › Disengaged employees › Low morale › Reputational damage › Negative employee relations › Compromised quality of work 	<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 › Quality, price and time › Environmental management and compliance 	<ul style="list-style-type: none"> › Reputational damage › Penalties and loss of work › Loss of competitiveness › Prosecution and fines 	<ul style="list-style-type: none"> › Engage with client forums › 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

Value-added statement

BASED ON TOTAL OPERATIONS	2020 %	2020 R'000	2019 %	2019 R'000
CONTRACT REVENUE		8 585 926		9 875 023
Less: Costs of materials, services and subcontractors		(6 397 071)		(6 893 974)
Value added by operations	96,7	2 188 855	96,4	2 981 049
Investment income	1,3	30 306	1,4	43 960
Share of equity-accounted investees	2,0	46 196	2,2	68 075
Total value add	100,0	2 265 357	100,0	3 093 084
Distributed as follows:				
CORPORATE SOCIAL INVESTMENT				
Donations and other community investments	–	719	–	1 298
EMPLOYEES				
Short-term and post-employment benefit costs	112,5	2 549 250	84,4	2 610 917
Share-based payment and forfeitable share plan costs	0,1	1 594	0,1	1 832
PROVIDERS OF FINANCE				
Interest and finance charges	5,6	126 067	3,3	101 129
Operating lease rentals	20,0	452 069	10,2	313 805
GOVERNMENT				
Taxation	(0,5)	(10 430)	(1,2)	(35 764)
TOTAL VALUE DISTRIBUTED	137,7	3 119 269	96,8	2 993 217
REINVESTED IN THE GROUP	(37,7)	(853 912)	3,2	99 867
Reserves available to ordinary shareholders	(47,3)	(1 070 943)	(3,6)	(110 761)
Depreciation	9,6	217 031	6,8	210 628
	100,0	2 265 357	100,0	3 093 084
Value-added ratios				
Number of employees		9 768		10 746
Contract revenue per employee (rand)		879		919
Value created per employee (rand)		232		288

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

Group performance review

Performance indicator	Definition	Measurement	2020	2019
ECONOMIC				
Contract revenue	Contract revenue is the income that the group generated from its normal business activities	R'000	8 585 926	9 875 023
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	(1 070 943)	(110 761)
Loss per share	Earnings per share is calculated by dividing net earnings by the total number of common shares outstanding	cents	(640,35)	(65,99)
Headline earnings per share	Headline earnings are a measurement of a company's earnings based solely on operational and capital investment activities	cents	(622,48)	(70,12)
Net asset value (NAV)	NAV is the value of an entity's assets minus the value of its liabilities	R'000	729 904	1 745 944
NAV per share	NAV divided by the number of shares outstanding	cents	436,43	1 043,95
EMPLOYEES				
Total number of employees RSA operations	Number of employees in RSA	number	6 339	7 577
Total number of black employees	Number of black employees in RSA	number	5 682	6 808
Training and development spend	Rand value of training spend in RSA	Rm	17,6	20,8
% of spend in South Africa (SA) on black (African, Coloured, Indian) employees	Percentage of training spend on black employees in RSA	% of total	86,2	85,4
Total number of bursaries, learnerships and apprentices	Number of bursaries, learnerships and apprentices in RSA	number	189	237
Black bursaries, learnerships and apprentices	Percentage black bursaries, learnerships and apprentices in RSA	% of total	75,7	81,4
Black women bursaries, learnerships and apprentices	Percentage black female bursaries, learnerships and apprentices in RSA	% of total	22,2	24,5
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	2
SA-based black employees	Percentage of black employees in RSA	% of total SA employees	89,6	88,5
SA-based women	Percentage of female employees in RSA	% of total SA employees	15,0	14,9
SA-based black managers and supervisors	Percentage of black managers and supervisors in RSA	% of total SA employees	17,4	16,6
SA-based female managers and supervisors	Percentage of female managers and supervisors in RSA	% of total SA employees	3,0	2,7
Corporate Social Investment (CSI) in community programmes	CSI encompasses projects that are external to the normal business activities of a company and not directly for purposes of increasing company profit	R'000	719	3 425
Enterprise Development	Investing time and capital to help people establish, expand or improve business	R'000	2 585	5 997

Performance indicator	Definition	Measurement	2020	2019
HEALTH				
Noise-induced hearing loss (NIHL)	Loss of hearing caused by the employees' occupation	Number of cases referred to a doctor	74	54
Number of random drug tests	Surveillance measurement in terms of the company's substance abuse policy	Number of drug tests	3 179	2 485
% of random drug tests that were positive	Result of test done where employees were identified as using a substance	Percentage of total	4,0	4,9
TB questionnaires completed	Surveillance measurement in terms of the company's dreaded disease policy	Number of TB questionnaires completed	3 681	3 082
Number of TB cases	Result of test done where employees were identified with TB	Number of cases referred to a doctor	1	2
SAFETY				
Fatalities	Any work-related death caused during the employees' occupation	Number of fatalities	1	–
Lost-time injury rate	Any work-related injury where the person lost productive days caused during the employees' occupation	Lost-time injury frequency rate	0,02	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	0,29	0,36
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	0,28	0,40
ISO 14001 Management System	An international standard for environmental management systems	Percentage of certified management systems within the organisation	100	75
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	115 543	127 832
Scope 2	Carbon emissions for electricity used from the national grid	tonnes	3 551	5 286

Energised and engaged employees

INVOLVED WITH OUR PEOPLE

Introduction

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

The company cultivates an environment of entrepreneurial spirit, with a strong Founder's Mentality at its base. 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 including:

- › An employee engagement template designed to assist in measuring performance and drive the Stefanutti Stocks Way.
- › Profiling of all key positions at senior management level and assessing those that were identified as successors to establish areas of development.
- › 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.
- › Ongoing system and process enhancements for local and cross-border entities.

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 ensure a transformed and diverse organisation.
- › Improvement of performance management tools to enhance talent management initiatives.
- › Management of talent with a focus on an integrated succession plan.
- › Continued human resources (HR) system optimisation with a special focus on cross-border entities.

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 who needed 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 2,1% to 2,9% during the year, which remains lower than the industry average of 6,9%.
- › In addition, the group intervention participant rate increased from 2,4% to 3,1%, above the industry benchmark of 1,7%. 160 individuals were assisted in a group context, through critical intervention (139), couples counselling (10) and child protocol sessions (11).
- › Overall, engagement increased from 5,7% to 7,7% year-on-year, still well below the industry average of 14,8%.
- › Managerial usage decreased during the period from 23,3% to 20,1% which remains above the industry benchmark of 17,3%. Seven formal referrals were recorded: addictive behaviour (one), health and lifestyle (one), organisational issues (one), HR issues (three) and one unknown case.
- › Face-to-face and/or telephone counselling sessions were provided, with six having been resolved and two matters still in progress.

EMPLOYEE WELLNESS DAYS

Employees throughout the country participated in a company-sponsored wellness day and health and fitness assessments were offered to all. In total, 366 employees were tested.

Due to retrenchments being so commonplace in the embattled construction industry, strong emphasis was placed on financial wellness, with registered professionals providing financial advice to employees.

Of the 366 employees that were tested, 38,8% opted to undergo voluntary HIV testing and received well-informed counselling.

CLINICAL CARDIOVASCULAR DISEASE RISK FACTORS

Clinical risk	Description	Percentage of employees
Estimated body fat percentage	Employees with an estimated body fat% that is not acceptable	39,1%
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.	53,6%
Total cholesterol	Employees with cholesterol readings over 5,2 mmol/L	39,9%
Glucose	Employees with glucose readings over 7,8 mmol/L	4,9%
Smoking	Employees who are presently smoking	20,2%

MEDICAL SURVEILLANCE PROGRAMME

- › The company's designated medical services provider operates in terms of a service level agreement with the group. A total of 5 093 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. This included 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 eight controlled asthmatics (zero uncontrolled), 13 controlled diabetics with three uncontrolled, five controlled epileptics, 64 controlled hypertensives and 13 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 6 339 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. 86,9% (2019: 81,6%) 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 and supplemented by the group's standardised policies and procedures in South Africa.

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 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.

Three cases of assault were registered during the year. The necessary disciplinary enquiries were held, with appropriate action taken in line with the company's disciplinary code. There were also two cases of sexual harassment, however the two individuals concerned opted to leave the company's employ prior to the finalisation of the disciplinary process.

By enforcing the provisions of the employment equity legislation, the group, in addition to its compliance with the 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 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 shape the future of the construction industry.

In total, 41,7% (2019: 37,8%) 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)

ENERGISED AND ENGAGED EMPLOYEES

continued

Hourly-paid employees account for 75,6% (2019: 76,3%) 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 29 February 2020 was 9 768 (2019: 10 746) employees, excluding temporary employment service employees with 6 339 (2019: 7 577) local employees and 3 429 (2019: 3 169) based beyond South African borders. A further 495 (2019: 1 140) were local temporary employment service employees.

The group's staff complement fluctuates as a result of the specific requirements and durations of its projects. Calculated on total headcount, avoidable employee turnover for the year was 9,5% (2019: 10,1%). The percentage of newly appointed employees, including those employed on limited duration contracts, was 33,7% (2019: 40,1%) of the company's total headcount. Refer to the table Total Employee Turnover by Type on page 18 for further information.

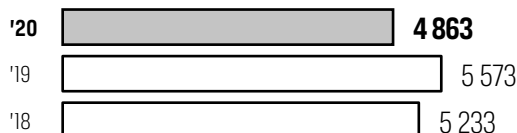
Subcontractors provide certain operational requirements.

Future key focus areas

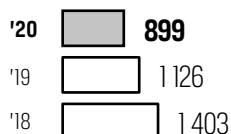
- › An ongoing focus on EE and B-BBEE in order to maintain the group's B-BBEE Level 1 Contributor status.
- › The implementation and rollout of performance management tools to staff.
- › Talent management including alignment and integration of individual development plans and the improvement of the retention strategy for key talent.

Total headcount per business unit: RSA operations

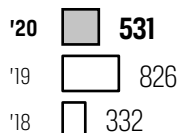
CONSTRUCTION & MINING



BUILDING



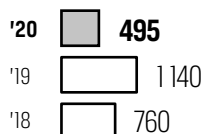
MECHANICAL & ELECTRICAL



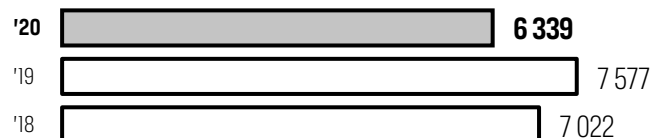
CORPORATE SERVICES



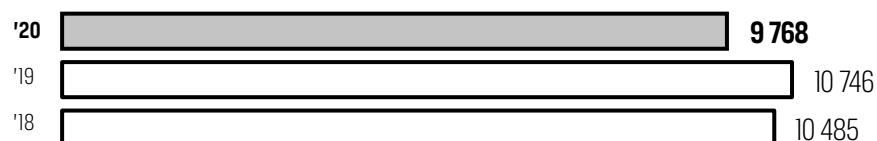
TEMPORARY EMPLOYMENT SERVICES EMPLOYEES



Total headcount: RSA operations



Total headcount: All operations



FOREIGN EMPLOYEE HEADCOUNT

Country	2020	2019	2018
Botswana	407	36	113
Eswatini (Swaziland)	579	756	674
Ghana	–	28	–
Guinea	–	3	239
Kenya	–	1	23
Mozambique	1 023	1 063	1 038
Namibia	1	5	53
Nigeria	286	262	216
United Arab Emirates (Al Tayer Stocks)	615	607	542
Zambia	518	407	565
Zimbabwe	–	1	–
Total	3 429	3 169	3 463

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

	2020	%	2019	%	2018	%
PERMANENT EMPLOYEES	3 721	58,7	3 964	52,3	3 977	56,6
Youth (18 to 34 years)	1 001	26,9	1 122	28,3	1 168	29,4
– Male	3 170	50,0	3 408	45,0	3 434	48,9
– Female	551	8,7	556	7,3	543	7,7
CONTRACT EMPLOYEES	2 618	41,3	3 613	47,7	3 045	43,4
Male	2 215	34,9	3 041	40,1	2 599	37,0
Female	403	6,4	572	7,6	446	6,4
TOTAL EMPLOYEES	6 339	100,0	7 577	100,0	7 022	100,0
EMPLOYMENT TYPE						
Salaried	1 545	24,4	1 793	23,7	1 831	26,1
Hourly paid	4 794	75,6	5 784	76,3	5 191	73,9
Male	5 385	85,0	6 449	85,1	6 033	85,9
Salaried	1 143	18,1	1 337	17,7	1 363	19,4
Hourly paid	4 242	66,9	5 112	67,4	4 670	66,5
Female	954	15,0	1 128	14,9	989	14,1
Salaried	402	6,3	456	6,0	468	6,7
Hourly paid	552	8,7	672	8,9	521	7,4

ENERGISED AND ENGAGED EMPLOYEES

continued

TOTAL EMPLOYEE TURNOVER BY TYPE: RSA OPERATIONS

THE TABLE REPRESENTS TOTAL TERMINATIONS (AVOIDABLE AND UNAVOIDABLE)

	2020 terminations	2020 % of total turnover	2019 terminations	2019 % of total turnover	2018 terminations	2018 % of total turnover
Avoidable (resignations, dismissals due to misconduct)	603	17,4	764	25,4	708	20,4
Unavoidable (death, retirements, dismissals due to operational requirements and ill health)	557	16,0	386	12,8	283	8,2
End of contract	2 315	66,6	1 860	61,8	2 474	71,4
	3 475		3 010		3 465	

PARENTAL LEAVE

	2020			2019			2018		
Occupational level	Male	Female	Total	Male	Female	Total	Male	Female	Total
Employees entitled to parental leave	5 385	954	6 339	6 449	1 128	7 577	6 033	989	7 022
Employees taking parental leave	78	44	122	60	38	98	78	38	116
Employees returning to work immediately after parental leave	78	44	122	60	38	98	78	38	116
Employees that were still employed 12 months after taking parental leave	69	37	106	52	28	80	57	36	93

DEVELOPING OUR PEOPLE

Introduction

Due to the extremely tough current climate the group had to reduce its spend on training and development, focusing on essential training only. The group has opted to postpone certain internal programmes in order to save additional costs while continuing with operational training, programmes and bursaries.

Current and future key focus areas

The Stefanutti Stocks Academy continued with the internal training of employees, with the focus on operator, tailings operations and construction skills training. 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 R17,6 million (2019: R20,8 million) in skills development and training. The above value excludes employees' salaries while receiving training.

Management approach

The Academy maintained its accreditation with the Mining Qualifications Authority (MQA) and Construction Education and Training Authority (CETA).

Professional registrations

There are currently 199 (2019: 197) professionally registered employees, of whom 91 (2019: 85) are black employees and 33 (2019: 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 145 (2019: 146) candidates were gaining the qualifications and experience required to register professionally, 107 (2019: 100) of whom are black employees and 37 (2019: 43) 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

The following table reflects all professional registrations for the group:

ENERGISED AND ENGAGED EMPLOYEES
 continued

PROFESSIONAL REGISTRATIONS (EXCLUDING FOREIGN NATIONALS)

	Candidates					Professionals					Registered in FY2020				
	All	Female	Female (%)	Black	Black (%)	All	Female	Female (%)	Black	Black (%)	All	Female	Female (%)	Black	Black (%)
Corporate Services	–	–	–	–	–	14	4	28,6	3	21,4	–	–	–	–	–
Construction & Mining	116	30	25,9	85	73,3	116	21	18,1	49	42,2	12	4	33,3	9	75,0
Building	27	7	25,9	21	77,8	55	4	7,3	33	60,0	7	–	–	4	57,1
Mechanical & Electrical	2	–	–	1	50,0	14	4	28,6	6	42,9	3	1	33,3	2	66,7
Total	145	37	25,5	107	73,8	199	33	16,6	91	45,7	22	5	22,7	15	68,2

TRAINING SPEND BY GENDER AND RACE (EXCLUDING SALARY COSTS)

R'000	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Bursaries	853	172	173	297	547	66	10	184	2 302
Professional registrations	124	52	14	198	57	3	9	21	478
Learnerships	943	137	123	306	328	65	–	–	1 902
Apprenticeships	749	10	10	189	193	–	–	–	1 151
Non-CETA aligned training and seminars	8 264	320	308	1 113	1 349	97	184	125	11 760
Total	10 933	691	628	2 103	2 474	231	203	330	17 593
No. of course attendances	5 803	302	262	880	896	75	103	110	8 431

EMPLOYEES TRAINED

	Female	Male	Total	% of total trained
African	325	2 471	2 796	81,5
Coloured	27	114	141	4,1
Indian	31	61	92	2,7
White	65	337	402	11,7
Total	448	2 983	3 431	100,0

TRAINING SPEND

	Salaried employees	Hourly paid employees	Total
Spend (R'000)	8 032	9 561	17 593
% split	45,7	54,3	100,0

	Construction & Mining	Building	Mechanical & Electrical	Corporate Services	Total
Amount per business unit (R'000)	14 129	2 118	1 260	86	17 593
% split	80,3	12,0	7,2	0,5	100,0

	No. of employees	Spend per employee (R)
Training per employee (including employees on limited duration contract)	6 339	2 775
	Number of disabled employees trained	Training spend on disabled employees (R)
Disabled employees	8	69 205

ENERGISED AND ENGAGED EMPLOYEES

continued



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 84 South African students and employees benefited from the bursary scheme, 38% (2019: 48%) of whom were female employees, and 70% (2019: 78%) were black. The group spent R2,3 million (2019: R3,8 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 R1,1 million (2019: R1,2 million) on apprenticeships. Of the group's total of 32 (2019: 41) apprentices, 5 (16%) are female and 24 (75%) are black.

A total of 22 apprentices from the Construction & Mining Business Unit attended phase training towards an earthmoving equipment mechanic field.

The Mechanical & Electrical Business Unit had 10 active apprentices participating in its apprenticeship programme in the fields of welding, diesel mechanic and electrical.

LEARNERSHIP PROGRAMMES

The group spent a total of R1,9 million (2019: R5,5 million) on learnerships. There were 73 (2019: 110) employee beneficiaries on learnership programmes, 17 (23%) of whom were female and 60 (82%) were black.

The company offered learnership opportunities in the following fields:

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

STEFANUTTI STOCKS ACADEMY

The Academy successfully trained and assessed 81 novice plant operators (87 interventions) and recertified 416 operators (469 interventions). In addition, 37 employees were awarded 227 service licence certificates for various machines.

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

The group supports the B-BBEE Act and the Codes of Good Practice for B-BBEE in South Africa and remains committed to the principles and implementation of B-BBEE within the group and its operations. It sees B-BBEE as an effective means to rectify the economic and social disparities in South Africa.

The group's current scorecard, dated August 2019, is based on the Revised Construction Codes of Good Practice. The status of Stefanutti Stocks improved from a Level 2 to a Level 1 Contributor, with black ownership calculated at 58,10%.

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

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 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 group also recommends that its currently non-compliant B-BBEE suppliers 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 believes that EMEs and QSEs play a critical role in the South African economy by way of job creation and fiscal growth and development.

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

B-BBEE scorecard – August 2019

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. A copy of Stefanutti Stocks's latest B-BBEE certificate is included on page 48.

Ownership

In terms of its August 2019 verification, the group's black ownership increased from 18,28% to 58,10% and its black woman ownership decreased from 4% to 2,24%. Compliance with regards to this element of the scorecard improved to 85,67% (2019: 70,80%).

Management control

43% of the company's exercisable voting rights are held by black people, 43% of whom are black women. Furthermore, 28% (2019: 15,8%) of the group's top executive management are black. The company's compliance with this element increased slightly to 47,94% (2019: 45,79%).

Employment equity

The group's August 2019 employment equity score improved significantly from 51,00% to 69,84%.

Skills development

The company's skills development score improved to 121,17% (2019: 92%), and the verifiable training spend on black people decreased slightly to R73,77 million (2019: R77,48 million).

Preferential procurement

Stefanutti Stocks's score for preferential procurement improved year-on-year to 96,19% (2019: 90,96%).

Enterprise development

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

Socio-economic development

The company improved its score to 120% with regards to the socio-economic development (SED) element, investing over R2,1 million on SED initiatives (2019: R3,4 million).

TRANSFORMED AND DIVERSE ORGANISATION

EE PROFILE AS AT 29 FEBRUARY 2020

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	1	–	1	5	7	5	3	5	67	80	–	2	2	89
Professional	6	3	8	28	45	51	21	21	186	279	–	12	12	336
Skilled	130	14	23	71	238	662	71	44	212	989	2	28	30	1 257
Semi-skilled	252	11	13	41	317	2 323	33	10	17	2 383	1	39	40	2 740
Unskilled	332	9	–	1	342	1 500	33	3	11	1 547	2	20	22	1 911
	721	37	45	146	949	4 542	161	83	498	5 284	5	101	106	6 339

EMPLOYEES DEEMED AS PREVIOUSLY DISADVANTAGED INDIVIDUALS (PDIs)

Racial group	2020	2019	2018
African	5 354	6 269	5 844
Coloured	198	287	244
Indian	130	149	129
White female *	146	167	182
	5 828	6 872	6 399
Total employees	6 339	7 577	7 022
Employees deemed PDIs (%)	91,9	90,7	91,1

* This table is governed by the Employment Equity Act.

REMUNERATION FOR MEN AND WOMEN PER OCCUPATIONAL LEVEL

Occupational level	2020	2019	2018
Senior management	1:0,61	1:0,63	1:0,64
Middle management	1:0,77	1:0,72	1:0,74

Skills development case study

Cadet foremen work towards NQF4 accreditation

ACCREDITED SKILLS DEVELOPMENT

Stefanutti Stocks has enrolled 11 cadet foremen in the NQF4 programme with TJEKA, which provides fully accredited training that aligns with NQF and CETA requirements. The foremen are currently working on TJEKA's two-year Supervision of Construction Processes (Civils Foreman) learnerships and are on track to complete their learnerships in 2020.

As summarised by TJEKA on its website: "The purpose of this learnership is to develop essential leadership skills required for a competent labour-intensive construction foreman."

THE LEARNERSHIP PROGRAMME

The programme focuses on developing the competencies that are required on a busy construction site, which include:

- › supervision and motivation of construction work teams;
- › application of information from contract documentation, drawings and specifications; and
- › setting out construction site tasks and supervising the execution of labour-intensive construction projects, including effective planning, organising, controlling and utilisation of resources in line with industry standards (productivity, quality, environment and health and safety).

The training modules are split into 70% practical and 30% theoretical components. The candidate Cadet Foreman must attend lectures three days per month and complete a portfolio of evidence and written assessments. Cadets who complete their learnerships and are found to be competent will have their statement of results uploaded to the National Learner Records Database.

MEET SOME OF THE CANDIDATES

Vincent Hlambisa joined Stefanutti Stocks in 2013 on a limited duration contract at Engen, ending in 2014. There, Vincent was part of a team that was awarded a NOSA five-star rating and his role was to oversee access scaffolding. In January 2015, he returned to Stefanutti Stocks, working at the Maydon Wharf marine site where he was first promoted to supervisor and then Cadet Foreman. He then worked on the Hammarisdale Bridge and Vopak projects.

Vincent enrolled in the learnership to further develop his skills and competencies and benefit from the specialised knowledge offered in the comprehensive course material. This included setting out of work, measurements, safe work procedures and the safety of fellow workers, company policies and processes, tendering and construction documentation.

Siyabonga Ntuli joined Stefanutti Stocks in 2012 and currently works at the Xhora Water Supply site in the Eastern Cape. He began as a chargehand working for a foreman who put his name forward for an NQF learnership. After completing his NQF2 in 2015, he began his NQF4 in 2017.

On site, Siyabonga learns from the experienced workers about managing productivity, how to read drawings and manage people in the workplace, which can be a challenge with the skilled older artisans and tradesmen. For Siyabonga, obtaining the NQF4 TJEKA foreman learnership is an opportunity to grow, obtain a worthwhile qualification and support his family.

Shuhane Ally has worked for Stefanutti Stocks since February 2013. He began as a trainee foreman before completing his NQF2 in 2015. He currently works at one of Stefanutti Stocks's petrochemical projects for Vopak in the Durban harbour. For Shuhane, the learnership provides a better understanding of the construction industry, how the company operates within it, and the strengths of individuals on his team. In addition, he believes that the learnership will create new opportunities for him to grow or possibly diversify with skills in other disciplines.

Sabelo Ntuli began working for Stefanutti Stocks in 2012. When he first started on the NQF2 learnership, he was a chargehand who had a lot to learn. Once he began his studies, his thought processes became clearer which led to an improved performance and saw him delivering better quality work. Sabelo sees the foreman learnership as a great opportunity to grow within the company and look after his future.

Mbhekiseni Mkhize joined Stefanutti Stocks in 2016, working at the Usuthu site. He previously worked as a steel fixer but through the learnership, he has learned a lot more about the broader construction industry. Mbhekiseni is learning how to improve production, work safely and according to schedule, as well as supervising employees. He appreciates the value of obtaining an NQF4 learnership certificate and how it can improve his life but is also keen to pass his knowledge on to others.



Skills development case study

Elizabeth Selepe applies military discipline to artisanship

A PROMISING CAREER AT STEFANUTTI STOCKS

Hailing from Mamelodi in the City of Tshwane, Elizabeth Selepe began her electrical apprenticeship with Stefanutti Stocks in September 2015.

Ever since completing her trade test in July 2018, she has been employed as an electrical artisan by Stefanutti Stocks. In addition, the company is helping Lizzy, as she is known, to further her studies and obtain her wireman's licence, after which she will be able to issue Certificates of Compliance.

After completing matric, Lizzy first enrolled in electrical engineering at the Tshwane University of Technology but was unable to complete her studies. She worked in the military for four years, including as a radar operator/airspace controller.

She left the military to pursue her original career plan and searched for a suitable opportunity, which she found in an online post for a Stefanutti Stocks apprenticeship. Lizzy applied and later received a call for an interview; after passing the selection, she was accepted into the apprenticeship. Lizzy would finally be doing what she had always wanted to do.

Lizzy is the only female in her workplace within a sector that continues to be dominated by males. Rather than feeling out of place, she draws on her experience in the military in the way she manages tasks and the physical side of her work. She keeps fit and gets an early start to the day to catch the bus at 05:05 am.

Working in maintenance brings a variety of work to each new day, rather than doing the same thing over and over again. Sometimes maintenance workers must take responsibility for a job card regardless of seniority, which trains workers to be time conscious and develop their competence in order to fulfil their role within the team.

Having worked in other environments, Lizzy can appreciate life working at Stefanutti Stocks. As the main breadwinner at home, instead of resting on her laurels, she is currently in the process of obtaining her wireman's licence. She believes that having this added qualification will help her climb the career ladder. By balancing her optimism and ambition with hard work, Lizzy is likely to succeed.

Today, Elizabeth Selepe continues to face life's challenges head-on and approaches her career and electrical artisanship with military discipline.



Skills development case study

Rofhiwa Mapila thrives with added responsibility

APPRENTICESHIP PROGRAMME SUCCESS STORY

Rofhiwa Mapila joined the Stefanutti Stocks apprenticeship programme in September 2015 and qualified as an electrician in March 2018. He continues to work on-site in Secunda, where he gained his practical experience. Stefanutti Stocks is also assisting Rofhiwa to obtain his wireman's licence, which will allow him to issue Certificates of Compliance.

With some life experience under his belt, Rofhiwa now understands that apart from his skills and qualifications, his newfound responsibilities are a key difference between being a student and a qualified electrician.

On occasions when Rofhiwa is a task executor, he leads a team of semi-skilled electricians and has learnt to handle the pressure by using his problem-solving and people skills. During the past year, he has gained practical experience by spending most of his time on site. He continues to obtain valuable insight from his supervisor, who was also his mentor during his apprenticeship.

Young electricians like Rofhiwa soon learn the difference between Phase 1 and Phase 2 of the apprenticeship programme. The more theoretical Phase 1 is complemented by the more practical Phase 2. For example, in the latter phase, apprentices are given specifications and must then design a circuit, which is an interesting but challenging problem to solve.

Working at the physical plant gives Rofhiwa the opportunity to learn something new every day. His current task is to inspect all portable electrical tools and complete the necessary paperwork, and the administrative aspect helps to give him a balanced set of skills. These days, he is also able to share his knowledge and experience with the new apprentices who spend time with him at the plant.

Rofhiwa and his family felt a sense of pride and accomplishment when he passed his trade test in March 2018 and was declared a competent electrician. Recently, he completed the wiring for his mother's rural house, which is a work in progress. As his family's main breadwinner, he can now use his skills and experience to provide a better lifestyle for his loved ones.

Enterprise development case study

Sharpshell Engineering

ENTERPRISE OVERVIEW

Founded in 2008, Sharpshell Engineering (Sharpshell) is a Level 2 B-BBEE, majority black woman-owned and managed engineering solutions company capable of undertaking specialised turnkey projects. The business is based at premises in Chloorkop, Gauteng as well as in Trichardt, Mpumalanga and operates through divisions of engineering, fire and corrosion protection.

The engineering division offers consulting, design, project management, construction, facility management and maintenance services. Fire protection includes passive, active, detection and suppression services. Corrosion protection comprises engineering, inspections, sand blasting, tank linings, and corrosion under insulation protection. Sharpshell's offering also includes engineering supplies, custom fabrications and installations.

After its establishment in 2008, Sharpshell explored various strategic growth opportunities to supply a broader range of engineering services and solutions to clients, including industrial plant protection, the ongoing maintenance of existing infrastructure and shutdowns.

OUR INVOLVEMENT

In 2019, Sharpshell joined the Stefanutti Stocks ED programme. In the programme, three development areas are identified and targeted with the aim of supporting the ED partner's sustainability and growth.

To date, the development areas in which Stefanutti Stocks has assisted include marketing and branding with a company profile and website, Qualifying Small Enterprises (QSE) B-BBEE certificate, Workplace Skills Plan and Annual Training Report compliance, as well as Sharpshell's attendance at the 2019 Smart Procurement Expo. At the event, Sharpshell picked up 13 promising leads, which included direct interaction with buyers from a large corporate that is a target customer for the contractor.

In the coming year, Sharpshell will look to obtain accreditation for its various management systems in order to align with ISO requirements. The business has recently secured a CIDB grading and will therefore aim to make further inroads by way of bigger contracts, using their strong capabilities, cash flow and expertise.

Being part of the Stefanutti Stocks ED programme will help Sharpshell on its road to create capacity and compliance. When economic conditions improve, Sharpshell will be in a favourable position to unlock opportunities and secure bigger projects in order to grow the medium-size business and achieve greater scale to service additional clients across South Africa.



Enterprise development case study

IsiYalu Business Enterprises

ENTERPRISE OVERVIEW

Founded in 2009, IsiYalu Manufacturing and Retailing (IsiYalu) is a multi-disciplined clothing manufacturer, supplying industrial, corporate and promotional workwear, sports activewear, and also offers promotional branding and marketing services. Johannesburg-based IsiYalu has B-BBEE Level 1 status, is 70% black woman-owned, and employs 52 individuals, 45 of whom are women.

Being a community cooperative, IsiYalu assists vulnerable and under-resourced families with the purpose of helping them become self-sustaining. Over the years, the company has made a success of following this approach and now supports 45 families. With the support of Stefanutti Stocks, IsiYalu is now poised to embark on the next phase of its expansion, which will see the business helping even more people in need.

OUR INVOLVEMENT

During 2018, IsiYalu joined the Stefanutti Stocks ED programme and also became an ED beneficiary of Izazi Mining, which itself is an ED partner of the group. The ED programme has assisted IsiYalu with the marketing and expansion of its business.

In early 2019, Stefanutti Stocks funded a factory expansion for IsiYalu, which was undertaken in a collaborative effort by Pamco. A new cutting table was purchased for IsiYalu to extend its manufacturing capacity. Funding for a marketing video was provided and labour law posters were supplied to assist with legal compliance. Two laptops were also donated to the business, as well as an office printer for orders and administration.

In terms of procuring work, Stefanutti Stocks awarded contracts to IsiYalu for the manufacture and supply of overalls and sunhats for a number of projects. Stefanutti Stocks funded the design and application of bespoke wallpaper and professional photography for the marketing of products and services.

Furniture for IsiYalu's showroom and reception area was purchased by Izazi Mining, as well as showroom entrance signage, a custom designed marketing flyer and perspex leaflet dispenser. Izazi also assisted in the safety audit of the new manufacturing facility, which was officially opened in the latter part of 2019.

Recently, Stefanutti Stocks also assisted IsiYalu in preparing a proposal and application for funding to the Industrial Development Corporation (IDC). The assistance provided to IsiYalu included the professional presentation and layout of the application. In September 2019, IsiYalu and three other Stefanutti Stocks ED partners attended the Smart Procurement Expo, where the manufacturer secured a number of orders and new contacts.



Enterprise development case study

Pamco Waterproofing and Leaks

ENTERPRISE OVERVIEW

Established in 2007, Gauteng-based contractor Pamco Waterproofing and Leaks (Pamco) is a 100% black-owned business in the construction sector. Pamco has a Level 1 B-BBEE Contributor rating and has built a solid reputation by executing its contracts to a high standard.

Pamco's clients include companies in mining, construction and property development, 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 experienced company executes a range of work on Building's projects, including building, plastering and painting as well as waterproofing projects and roof construction. Compared to conventional scaffolding methods, its rope-access capabilities offer clients alternatives that save on time and cost.

OUR INVOLVEMENT

Pamco became an enterprise development partner to the group in late 2015, has been a preferred supplier since 2010, and sees activity subcontracting on housing projects.

During the past year, a number of key areas were identified and actioned by Stefanutti Stocks to assist Pamco in its development.

The achieved ED areas include the following:

- › Procurement and handover of a HILTI coring drill plus training provided by HILTI;
- › Handover of re-usable site equipment, including a dumpy and tripod, drive unit, poker needle, circular saw, two chip hammers and a core bit;
- › Mentoring on business strategy, focusing on a market analysis for expanding the business;
- › Safety training, with a focus on liability and compliance; and
- › Attendance at the Smart Procurement Expo 2019.

The handover of the HILTI coring drill, as well as the required training for the machine, took place at Stefanutti Stocks's offices. Valued at about R75 000, the coring drill brings added capabilities to Pamco's range of service offerings. Features include drilling through walls for the installation of air-conditioning, extractor fans and ventilators in kitchens or bathrooms.

In August 2019, Pamco received re-usable site equipment at Stefanutti Stocks's plant yard. This valuable equipment will assist Pamco in delivering their existing services and provide welcome savings on the rental cost of equipment, which will no longer be necessary.

In September 2019, Pamco exhibited at the Smart Procurement Expo in Midrand, along with three other companies in the Stefanutti Stocks ED programme. Attending the expo resulted in key contacts being made, while quotations were generated for prospective work. Other opportunities emerged, as the company's owner and contracts manager met with provincial government representatives in need of Pamco's skills, which led to the business registering on their database.



Enterprise development case study

ED partners attend Smart Procurement Expo

Accessing markets and securing sustainable business are some of the greatest challenges that SMMEs must overcome to be successful. Likewise, the development of small businesses can be hampered without an understanding of how complex procurement processes and supply chains work in practice. Another important skill to develop in business is connecting with appropriate buyers in an organisation who offer the best fit.

To address these and other concerns, Stefanutti Stocks funded the attendance and participation of a number of ED partners at the Smart Procurement Expo, as well as related marketing collateral for the event. The sponsored ED partners that exhibited at the expo were Sharpshell Engineering, Izazi Mining and Pamco Waterproofing and Leaks.

The attendance, participation and marketing collateral of a fourth ED partner, namely IsiYalu Business Enterprises, was funded by fellow ED business partner Izazi Mining.

All four businesses found the expo to be a positive and highly beneficial experience, with each business generating a number of potential leads. Indeed, Sharpshell Engineering gained 13 promising leads at the event, including direct interaction with buyers from a large corporate that Sharpshell had been trying to trade with for some time.

IsiYalu picked up a number of orders, leads and new contacts, confirming that the expo was a worthwhile investment of their time. In addition, IsiYalu were looking forward to inviting new and existing buyers and client contacts to the launch of their new showroom, which also took place during the year.

For Pamco Waterproofing and Leaks, their first attendance at an event of this nature was one to remember. The company's owner/contracts manager was very pleased to have made a number of valuable contacts and had quoted and followed up on potential work and leads within the same week.

In time to come, the benefits of attending and participating in the expo will become evident. In terms of investment value, there can hardly be a more effective method of exposing Stefanutti Stocks's ED partners to potential clients and the market. By leveraging all of their new leads and contacts, the ED partners can accelerate their rate of growth on the road to becoming sustainable businesses.



Socio-economic development case study

Improved vision for a further 76 learners

Having access to eye testing and corrective lenses in spectacles can easily be taken for granted, whereas in vulnerable communities, the gift of sight is more of a challenge due to a lack of resources. For school-going children in need of spectacles, the joy of being able to clearly see educational materials and their friends at play is extremely rewarding.

In July 2019, Stefanutti Stocks made a positive impact on learners at the LD Matshego Primary School in Rustenburg by sponsoring the Vision 4 Change spectacle handover to the amount of R148 000. The initiative marked Stefanutti Stocks's largest single handover to date having supported the initiative for three years.

In the 2019 Vision 4 Change initiative, 1 025 learners were tested at the school and 76 required new spectacles.

Once the children had received and were wearing their new spectacles, a teacher addressed them to explain the importance of being able to see and read properly. She continued that glasses are not a fashion statement or a source of embarrassment, but rather presented the children with an equal learning opportunity in the classroom. Wearing their new glasses meant that they could now see as well as people who did not require corrective lenses.

Through this initiative, giving the gift of clear vision to children in need presented a poignant moment for the senior compliance officer and the rest of the team at Stefanutti Stocks. The sincerity with which the children appreciated their new glasses and being able to see clearly was extremely rewarding and uplifting for everyone involved.



Live our values

Voluntary Rebuild Programme 2020 Axsys Projects

INTRODUCTION

As a signatory of the South African Government's Voluntary Rebuild Programme (VRP), Stefanutti Stocks contributes to the VRP in two ways. Firstly, the company makes an annual financial contribution of R15 million to the Tirisano Construction Fund in order to drive transformational initiatives within the construction industry.

Secondly, the company has committed to develop two black-owned emerging enterprises into significant competitors within the construction sector within a period of seven years. It has been determined that during this timeframe, the combined turnover of these two companies must be greater than 25% of Stefanutti Stocks's turnover.

To this end, a development agreement was finalised between Stefanutti Stocks and Axsys Projects (Pty) Ltd in May 2018. The company is actively seeking a second emerging enterprise to develop.

Two years have passed since Axsys became a VRP partner to Stefanutti Stocks, and in spite of tough and challenging trading conditions, Axsys has grown both its skills and capacity. This has enabled Axsys to submit 50% of its current tenders as a sole contractor, rather than relying on its joint ventures with Stefanutti Stocks.

JOINT OPERATIONS

The notable joint operations that Axsys is engaged in with Stefanutti Stocks can be summarised as follows:

Mercedes-Benz South Africa (MBSA) – the largest portion of the suite of design and build projects for MBSA, which was the body shop, with the addition of the hook-up installation. The project was located in East London, Eastern Cape and consisted of: repurposing the existing F4 Building into a 27 000m² logistics building and body shop, the construction of two level extensions of 45 700m², and connecting the new body shop to the existing F4 Building. The interim contract milestones were achieved, and the main building was successfully handed over to MBSA on time and within budget, thus allowing access to the fit-out contractors.

Klipspruit Mine Expansion Project – this is an infrastructure project for the expansion of the existing Klipspruit Mine, and is located in Ogies, Mpumalanga. Two of the infrastructure packages are being undertaken in joint operation for the construction of four pollution control dams and six substations.

Saldanha Bay Rock Scour Protection – the repair of the rock scour protection to the Saldanha Bay quay wall in Saldanha Bay, Western Cape.

Khumani Mine Materials Handling and Tailings Operations – these are two operational projects executed for Khumani Mine in Kathu, Northern Cape.

Anglo Platinum Maresburg Tailings Storage Facility Phase 2 – this project near Burgersfort, Mpumalanga is a mining sector project. The purpose of the project is to increase the current tailings storage facility at the mine.

Mpophomeni Waste-Water Treatment Works Umgeni Water – the contract involves the construction of a 6Ml/day waste-water treatment works for Umgeni Water, located at Mpophomeni, KwaZulu-Natal.

DEVELOPMENT INITIATIVES

Axsys has achieved a Level 1 B-BBEE Contributor scorecard and has continued to support the Go for Gold Programme as its socio-economic development initiative. In addition, Axsys has continued its relationship with Declara as its enterprise development partner.






Axsys upgraded its CIDB grading to level 4CE.





2020 SED spend

Understanding the next generation

	Category	Details of project	Location	Progressive spend (R)	Communities with limited access to services (R)
1. Maserunyane School 	Education	Purchased computers for computer centre	Mokapane	59 985	59 985
2. Go 4 Gold 	Education	Sponsor scholarships for grade 10 to 12 learners	Gauteng and Western Cape	150 000	150 000
3. Charlotte Maxeke 	Education	Developing Girl School of Excellence	Throughout South Africa	153 518	no
4. Makhine School 	Education	Maintenance and improvements to Makhine School	Limpopo	207 827	207 827
5. Vision 4 Change 	Health and Education	Eye testing and glasses for primary school. Funding for testing 1 025 children and providing glasses.	Rustenburg	148 000	no
				719 330	417 812
				ACTUAL – % to Communities with limited access to services	58%
				TARGET – % to Communities with limited access to services	30%

Flawless execution

ZERO HARM – HEALTH AND SAFETY

Introduction

In the spirit of the Founder's Mentality principles, the group adopted the slogan "I will not walk past". This behaviour-based approach encourages empowered employees to take ownership of and responsibility for health and safety at the workplace. By following this approach, there has been a significant reduction in injuries compared with previous years.

During the year, leadership engagements (LEs) were used to focus on operational issues across all aspects of the business. These include health and safety LEs, which are conducted by operational directors.

Senior and middle management focused on visible felt leadership engagements (VFL) while site operational staff focused on site safety observations (SSO). These activities share a common goal – engaging with employees and enhancing the "I will not walk past" commitment. It should be noted that observations have increased over two consecutive years, despite a reduced number of employees.

Current key focus areas

Key focus areas for the year were as follows:

- › Behaviour-based campaign with slogan "I will not walk past" – to encourage a culture among employees at all levels to own, take responsibility and be accountable.
- › Benchmarking, analysis and verification.
- › Completing the alignment of all documentation with group certification in mind.
- › Proactive incident management – using available data in Systems at Stefanutti Stocks (S@S) to determine trend analysis from leadership engagements, reported incidents and injuries, incident investigations and employee fitness.
- › Effective incident investigation – using available data in S@S to analyse and measure the effectiveness of control measures implemented during investigation to avoid recurrences.

Management approach

On an annual basis, the group's health and safety policy, objectives and targets are reviewed by the OHS forum, before being adopted by group EXCO. The policy articulates the commitment of the group's management to a safe working environment, and aims for zero harm to people, property and the environment.

The continuous development of S@S is key to ensuring that relevant, accurate and reliable information is used to provide live information across the group. The purpose of this information is to enhance incident communication, trend analysis, audit tracking, corrective action and non-conformance reporting (NCR) management.

Performance

In a drive to standardise management systems and reduce costs, Stefanutti Stocks sought to centralise the certification of all its ISO management systems, and obtained a group certification in February 2020. All operating divisions contributed to the group certification and will continue to do so going forward. In addition, the group's occupational health and safety management system has been certified in accordance with the ISO 45001:2018 standard.

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

Live performance tracking that is performed through S@S periodically generates standardised reports to EXCO, business units, divisions and projects. Trends that are identified in these reports assist the business in terms of implementing improvements.

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
- › Lost-time injury 12-month totals and frequency rate (LTIFR) – benchmark 0,10
- › Recordable case 12-month totals and frequency rate (RCR) – benchmark 0,30.

A cornerstone of improving accountability continues to be the LEs, which were conducted from managing directors to operational directors, and covering all aspects of the business including health and safety.

During the year, the number of VFLs and SSOs conducted by management and operational staff increased by more than 1 200 observations when compared to the previous year.

The group uses leading and lagging indicators to identify trends and areas for improvement such as:

- › Incident trend analysis
- › Total number of SSOs
- › Audits conducted
- › NCRs recorded

Continuous monitoring and identification of trends

Stefanutti Stocks maintained the working relationships with its preferred medical and surveillance service providers. In doing so, the opportunity remains for voluntary counselling and testing via entry/periodic medicals or health and wellness days that are hosted at the group's workplaces across various regions.

Future key focus areas

The group's health and safety key focus areas for 2021 are as follows:

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

NUMBER OF INCIDENTS PER SEVERITY

	2020	2019	2018
Fatality	1	–	1
Lost-time injury	2	2	16
Restricted work cases	4	9	13
Medical treatment cases	27	31	45
First aid cases	61	156	220
Total incidents	95	198	295

FLAWLESS EXECUTION

continued

TOTAL SUPERVISED MAN-HOURS – 12-MONTH ROLLING

	2020	2019	2018
Hours include contractor services without mandatory agreements (OHS Act 37.2)	22 746 150	23 795 151	26 924 072

FREQUENCY RATES

	2020	2019	2018
Fatality frequency rate	0,01	–	0,01
Lost-time injury frequency rate	0,02	0,02	0,11
Recordable case rate	0,29	0,36	0,54

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
Moving vehicles	Caught between/crushed/nip point
Travelling and transporting by road	Manual handling
Manual handling	Struck by – falling/flying/swinging object
Excavation/earthworks	Fall/trip/slip at same level
Falling objects	Step into/from/over

GROUP HEALTH PERFORMANCE

	2020	2019	2018
Total entry medicals	1 874	1 656	3 463
Annual surveillance	2 008	1 811	1 232
Noise-induced hearing loss (NIHL) identified	74	54	19
Tuberculosis questionnaires completed	3 681 of which 1 was referred	3 082 of which 2 were referred	2 867 of which 19 were referred
Obese	21%	19%	40%
Smokers	1 180	1 148	885
Multi-drug testing conducted (excludes employees tested by client)	3 179	2 485	1 398

**HEALTH AND SAFETY ACHIEVEMENTS
AWARDS**

Site	Business unit	Awarded by	Category and award
Mercedes-Benz South Africa	Building	MBA KZN region	R450m to R750m (1st place)
Mercedes-Benz South Africa	Building	MBA national	R450m to R750m (2nd place)
Mercedes-Benz South Africa	Building	MBA KZN region	Overall winner: Excellence in Construction Subcontractors and/or Service Provider
Park Square	Building	South African Institution of Civil Engineering (SAICE)	Highly Commended for Technical Excellence
Durban Christian Centre	Building	South African Institution of Steel Construction (SAISC)	Category Winner for their role as Main Contractor
Durban Christian Centre	Building	MBA KZN region	Highly commended contract (sites with a value between R100 million and R250 million)
Park Square	Building	MBA KZN region	Excellence in Construction Overall Winner Commercial Buildings above R70m
Mercedes-Benz South Africa	Building	MBA KZN region	Excellence in Construction Overall Winner Industrial/Civil above R70m
Mercedes-Benz South Africa Building 34	Building	MBA KZN region	Excellence in Construction Overall Winner Commercial/Industrial Alterations above R40m
Hirt & Carter/Triumph & Uniprint Park	Building	MBA KZN region	Excellence in Construction Highly Commended Commercial Buildings above R70m
General	Building	MBA KZN region	Second place: Contribution to a safer construction environment by displaying commitment and excellence in health and safety
General	Building	MBA KZN region	Overall winning company
General	Building	MBA KZN region	Safety person of the year: Joel Pillay
Construções Mozambique	Building	South African Institution of Steel Construction (SAISC)	Winner: 2019 Fulton Award for Innovation in Concrete Projects
Kusile Civil Works	Construction & Mining	FEM	Regional Construction Sector 3rd Place
Sibanye Gold project – Tailings	Construction & Mining	Sibanye Gold	Best performance on leading and lagging indicators
Kolomela UHDS	Mechanical & Electrical	Kumba Iron Ore Limited	Contractor with the best safety performance
Exxaro G62 Expansion	Mechanical & Electrical	Exxaro Resources Limited	Outstanding SHE performance; Achievement for 630 LTI-free days; Winner of the Exxaro Mine House Keeping Competition; Recognition for achieving clear safety file audits for 2019
Exxaro G66 Expansion	Mechanical & Electrical	Exxaro Resources Limited	Trophy for outstanding SHE performance
LV237 Replacement – Shutdown	Mechanical & Electrical	Sasol Group Technology – Sasol Limited	Recognition award for Commitment to Safety

MILESTONES

Business unit/Division	Milestone
Construction & Mining Business Unit	25 000 000 LTI-free hours*
Mechanical & Electrical Business Unit	7 000 000 LTI-free hours
Building Gauteng Division	7 700 000 LTI-free hours
Building KZN Division	18 600 000 LTI-free hours
Building Western Cape Division	4 100 000 LTI-free hours
Civils Division	6 500 000 LTI-free hours
Coastal Division	5 200 000 LTI-free hours
Mining Tailings Operations (Mining Services Division)	2 100 000 LTI-free hours
Roads, Earthworks & Pipelines Division	7 700 000 LTI-free hours
Mozambique Region	4 600 000 LTI-free hours
Eswatini (Swaziland) Region	8 000 000 LTI-free hours
Zambia Region	2 500 000 LTI-free hours
Nigeria Region	2 000 000 LTI-free hours

* Milestone achieved – October 2017 to June 2019.

FLAWLESS EXECUTION

continued

ZERO HARM – ENVIRONMENTAL

Introduction

Until recently, the exploitation of natural resources and environmental degradation were considered a necessary trade-off for advancement and development. To counter this thinking, there is an emerging movement towards a more sustainable, more environmentally friendly construction industry. Stefanutti Stocks's values and approach to environmental management and sustainability are favourable, positioning the business at the forefront of that movement.

The group continues to benefit from the work of its environmental forum, which previously defined 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 to reduce environmental harm.

Current key focus areas

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

- › **Legal and system requirements** – the group achieved ISO 14001:2015 certification. In the process of complying to the ISO 14001 systems, management's responsibility for the environmental management system (EMS) on site was reviewed. Appointments of site managers and supervisors were reviewed in order to include EMS roles, and to ensure collaboration in environmental management on sites.
- › **Training and awareness** – the internal environmental awareness campaign known as "Green Wednesday" continued during the year. This enhanced communication of green issues across the business, resulting in improved feedback from sites and giving employees a greater understanding and confidence when dealing with environmental issues. In addition, having completed the development of the in-house e-learning module, rollout can proceed.
- › **Carbon emission data control** – the promulgation of the Carbon Tax Act has made it critical to understand and quantify CO₂ emissions. The group's rigorous data collection and verification methods ensure data reliability and authenticity. Using this data, the group's environmental footprint can be evaluated, and measures can be implemented to reduce the impact on the environment.

Management approach

EXCO is responsible for the management of environmental risk, and the group forum is led by a member of EXCO. Given the scale of the construction industry's environmental footprint, protecting the environment is becoming a strategic priority for the group.

On an annual basis, the group environmental forum reviews the Stefanutti Stocks environmental policy statement as well as its objectives. Each year, the policy must be approved by EXCO before it can be adopted by the business units.

The group's latest policy statement articulates its commitment to environmental protection, pollution prevention and zero harm to the communities and environment in which it operates. In addition, Stefanutti Stocks acknowledges its on-going obligation to improve its systems with the aim of achieving the highest environmental performance.

To this end, the group has obtained its ISO 14001 certification, which encompasses all South African and cross-border business unit operations.

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 GBCSA

The aim of the group's environmental strategies is to prevent harm, rather than react to it. To align with the values of accountability and excellence, environmental performance standards are clearly defined. This is done through the environmental

policy and objectives, which encourages commitment and ownership from Stefanutti Stocks's employees, as well as all other persons working on behalf of the business.

Performance

ENVIRONMENTAL MANAGEMENT SYSTEMS (EMS)

Stefanutti Stocks reached a milestone during the year by obtaining a group ISO 14001:2015 certification. Once again, there has been a significant improvement during the year in terms of tracking and reporting on environmental statistics across all of the group's business units.

PHYSICAL ENVIRONMENT

For the year under review, the environmental impact of the business on freshwater resources was greatly reduced. This was achieved, wherever possible, by deliberately reusing good quality water, rather than fresh water. Compared to previous years, the group has also recycled a higher percentage of waste, which reduced the impact on virgin materials and landfill space.

CLIMATE CHANGE

It is a priority for Stefanutti Stocks to understand the full impact that evolving climate change policies have on its operations. The risks and opportunities of the recently promulgated Carbon Tax Act and its regulations have been studied in detail, and measures have been put in place to ensure compliance. The group continues to explore practical and innovative ways to reduce its CO₂ footprint.

DATA COLLECTION

Having access to good quality environmental data provides management with clarity for improved decision making. While in recent years the group's focus was on improving the quality of environmental data collected, going forward, resources will be directed to areas that can achieve the greatest environmental impact. In this way, the group's existing environmental initiatives can be enhanced.


ENVIRONMENTAL AWARENESS

Stefanutti Stocks has commissioned an internal environmental e-learning programme that is specifically designed for site managers and supervisors. In the process of re-training SHE officers, it was determined that operational decision makers such as site managers and supervisors should be empowered with an above average understanding of environmental management principles. This in turn led to the design of an in-depth, flexible module that imparts knowledge in a simple and practical way.

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	3 492 231	General, construction and hazardous waste disposal, portable toilet servicing through accredited service provider
Expenditure on equipment, maintenance, and operating materials and services, and related personnel costs	757 562	Spill kits and cleaning services
Environmental education and training	79 910	Environmental training, posters and campaigns
External services for environmental management	558 934	Waste management contractors
External certification of management systems	327 477	Certification fees
Extra expenditures to install cleaner technologies (such as additional cost beyond standard technologies)	197 465	New oil pump room installation at Workshop
Extra expenditures on green purchases	83 696	Green chemicals
Other environmental management costs	948 581	Green Building SA membership, Enviroserv and Sanitech
Total	6 445 856	

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	Grobiersbrug	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 km ²
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

	FY2020 (tCO ₂ e)	FY2019 (tCO ₂ e)	FY2018 (tCO ₂ e)	Emission factors	
Scope 1	115 543,25	127 832,39	83 400,00	Diesel – 2,67kg CO ₂ e Petrol – 2,30kg CO ₂ e	Oil – 2,97kg CO ₂ e LPG – 2 715,83kg CO ₂ e
Scope 2	3 550,87	5 286,54	3 641,85	1,027 tonne CO ₂ e per mWh	
Gross	119 094,12	133 118,93	87 041,85		

TOTAL SUPERVISED MAN-HOURS – 12-MONTH ROLLING

	2020	2019	2018
Hours include contractor services without mandatory agreements (OHS Act 37.2)	22 746 150	23 795 151	26 924 072

FLAWLESS EXECUTION

continued

WATER

Business unit	Municipal (kℓ)	Ground (kℓ)	Surface (kℓ)	Recycled (kℓ)
2020				
Construction & Mining	893 553	36 706	41 380	573 324
Building	582 143	9 999	300	–
Mechanical & Electrical	17 964	–	–	–
Total	1 493 660	46 705	41 680	573 324

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
Hammarsdale	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)
	2020
Construction & Mining	2 300 647
Building	1 097 819
Mechanical & Electrical	1 092 192
Total	4 490 658
Total mW/h	4 490,66

ENERGY

Business unit	Electricity (Gj)	Diesel (Gj)	Petrol (Gj)	Oil (Gj)	LPG (Gj)
2020					
Construction & Mining	8 282	1 276 936	3 380	13 285	8
Building	3 952	245 562	5 516	–	–
Mechanical & Electrical	3 931	17 808	3 707	334	84
Total	16 165	1 540 306	12 603	13 619	92

WASTE

Business unit	Waste type	
	Hazardous (tonnes)	General (tonnes)
	2020	2020
Construction & Mining	4 333	10 864
Building	1 228	322 704
Mechanical & Electrical	4 110	359
Total	9 671	333 927
% of total waste	2,82	97,18

FLAWLESS EXECUTION

continued

Carbon footprint

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

Carbon emissions

The baseline and target for 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 35.

Water

The total water used by Stefanutti Stocks for the year under review was 1 582 045kl, which is calculated as total water used less recycled water. The water intensity for the group's total operations is (total water used/supervised man-hours): 1 582 045/22 746 150 = 0,07kl/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 3 703 171kl in the previous year to 1 582 045kl in the current year under review.

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): 4 490,66/22 746 150 = 0,0002 mWh per MHW.

Energy

Energy intensity equals the total energy consumed in GJ divided by the total man-hours worked: 1 570 215,66/22 746 150 = 0,069 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 9672,99tonnes/22 746 150 = 0,00042tonnes/MHW.

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

- › Paper
- › Plastic
- › Wood
- › Oil
- › Metal
- › Batteries
- › 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 registration and the implication on operations
- › ISO 14001:2015 maintenance and surveillance audit
- › Increase environmental awareness
- › Sustainability reporting

PROPER PLANNING PREVENTS POOR PERFORMANCE – QUALITY MANAGEMENT

Current key focus areas

The Quality Forum set out to achieve certification for quality management under ISO 9001:2015 for the group, which was achieved in February 2020 with participation from South African and Eswatini operations.

A quality module was built on Systems at Stefanutti (S@S) to capture all group operations non-conformances. The module is being used in most of the operations group-wide.

In order to manage "Client Relations" better, the data capturing and reporting of all new client contract performance surveys has been centralised to allow for the consolidation of the results and subsequent identification of improvements across the group. Trends are drawn from these surveys and actions are taken by the respective directors in charge of the projects.

A centralised approach towards the management of the company's internal library of documents and information allows for more efficient search functionality of this library and its content. In addition, the process has begun to convert the predominantly paper-based records archive into an electronic filing and retrieval system. Eighty per cent of the projects are using the archiving platform.

Management approach

In this tough trading environment, management is focused on Excellence in Execution. As a result, it is important to "do it right the first time" as repeat work reduces already tight profit margins.

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:

- › The standardisation of the management systems throughout the group to streamline group processes
- › The tracking and performance of trend analysis to increase efficiency on:
 - » Customer satisfaction surveys
 - » Non-conformances
- › The daily diary development on S@S to ensure that record keeping is improved. The group will be audited for continual performance in terms of ISO 9001:2015 standards under the first surveillance stage.

RELATIONSHIPS WITH CONSTRUCTION PARTNERS AND SUPPLY CHAIN

Introduction

During the year, a group-level document was standardised to deal with the general terms and conditions for procurement. This was in addition to implementing a vendor management system (VMS), buyer's forum and vendor days. Together, these initiatives sharpen the group's focus on professionalising its supply chain relationships. They form part of the procurement strategy and guide the company's vendor engagements.

It is crucial to align the objectives of the business with vendor management. This takes place before the vendor management process to better understand the needs of each business unit. This helps to conserve resources and prevent the duplication of efforts when selecting and contracting with vendors. Furthermore, setting objectives provides metrics with which to measure and evaluate vendor performance.

Since the initial rollout of the vendor management initiatives in 2018, the company has centralised most of its vendor information and data. Once the integrity of the data and systems has been determined, the company can gain a better understanding of the benefits and challenges of vendor management. An effective process can then be implemented to guide vendor engagements and maximise value for the organisation.

Current key focus areas

VENDOR MANAGEMENT SYSTEM (VMS)

Developing the group's VMS is a significant achievement in centralising all vendor related information into one system. This makes vendor information accessible across the group, allows employees to source information, and simplifies the reporting process.

Having a centralised data storage solution helps to manage vendor data and improve resource allocation and efficiency.

By integrating the VMS with BuildSmart, the group's accounting software, valuable business intelligence can now be accessed. The reporting functionality includes monthly monitoring and managing of the group's B-BBEE expenditure, which supports the business and individual projects.

BUYER'S FORUM

The company has introduced a buyer's forum and initiated monthly meetings between BU procurement teams and VMS administrators. By implementing vendor management across the BUs the company should benefit from a wider selection of vendors and reduced costs. This will also allow for the performance management of vendors to ensure they meet the company's standards and criteria.

The forum's purpose includes the following:

- › Improving cooperation and alignment between divisions and BUs in terms of buying
- › Enhancing cooperation and sharing of knowledge
- › Optimising the company's B-BBEE spend
- › On-going development of the VMS
- › Considering annual preferred tenders for the company
- › Improving networking and communication within the wider forum
- › Promoting relationship development with vendors

The company's centralised VMS makes use of a team that sets business goals and KPIs, selects the best vendors and negotiates the contracting process. Previously, when vendor management was decentralised to the BUs, tracking and evaluating vendor performance was a challenge.

VENDOR DAYS

Managing the company's relationships with vendors is key to successful project execution. Including vendors when strategising helps to achieve the company's goals and expectations. Collaboration allows the company and its vendors to brainstorm innovative ideas and maximise value creation.

When engaging with vendors, the company and its expectations of vendors are clearly defined. Vendors are informed of the current and future requirements of the business, and how they align with objectives. This understanding allows all parties to collaborate more effectively. It also helps to evaluate vendors, set benchmarks, and reduce risks related to vendor performance and compliance.

The 'human aspect' is at the heart of vendor relationship management as ultimately, vendors are represented by people. It therefore remains a priority for Stefanutti Stocks to unlock value by building lasting and meaningful relationships with its vendors.

Management approach

A major consideration when selecting vendors is cost, although the lowest cost may not translate to the best value. The company is increasingly considering other criteria to source vendors that can better fulfil its requirements. To assess vendors holistically, it is important to consider all criteria. These can include financial stability, previous experience, B-BBEE status, health and safety performance, timeous delivery, following quality procedures, economies of scale, as well as legal or regulatory records.

Future key focus areas

The focus areas going forward include the following:

- › Completing the updated and categorised database of all relevant vendors and vendor-related information.
- › Streamlining vendor information, storing it in a single location and providing insights into vendor status such as active vendors or vendors that require renewal.
- › Introducing KPIs to measure various aspects of vendor performance, to determine the effectiveness of the vendor management process, and to measure how vendors deliver compared to the expectations and goals of the business. KPIs 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

Building Western Cape constructs green project

OVERVIEW

Established in 2007, the Green Building Council of South Africa (GBCSA) is the industry body that provides guidelines for the construction of greener, more environmentally friendly buildings. According to its website, the GBCSA works in collaboration with members to accelerate the development and adoption of best green building practices so that all buildings are designed, built and operated in an environmentally sustainable way.

Before the construction phase can begin, architects are appointed to design buildings that will achieve developers' Green Star rating targets. During execution, the Building Business Unit divisions must then follow the GBCSA's guidelines and specifications to comply with the requirements of Green Star standards.

Located in Belville, Building's Western Cape Division recently completed a four Green Star rated contract for an office block at the entrance to the D'Aria Vineyards for client Silver Oriole. Completed and handed over in December 2019, the office development spans 21 600m² with a total contract value of R152 million.

During the project, the division focused on managing key areas including the required materials, the geographic sourcing of materials, as well as the management of surplus and waste materials. All stakeholders on the building site were required to apply these procedures, including about 30 subcontractors working on the D'Aria project. The GBCSA's green approach was applied to the entire lifecycle of the project and initiatives aligned with the Green Star requirements.

MEETING WITH GREEN STAR REQUIREMENTS

Local sourcing

To comply with requirements, 20% of the total contract value had to be sourced from within 400km of site, including 550 tonnes of steel and the bricks used on the project. In addition, 10% of total contract value had to be sourced from within 50km of the site. The special mix of concrete was sourced from a nearby factory.

Lighting

To execute the building project, specific, lower power usage lights were required, and at the end of the contract the installation and wiring was checked to ensure compliance with the design. Large windows were included in the design to provide natural lighting.

Timber formwork guidelines

In line with the Green Star rating requirements, a percentage of the timber products used in the building and construction works comprised a combination of re-used or recycled timbers. During the process of construction, after concrete had been allowed to cure, the wooden formwork was stripped and re-used to prevent unnecessary waste.

Paint

Unlike harmful, older paint formulations, the modern paint used for the office building has a formulation that meets with the required specifications of the GBCSA and was selected for having a reduced impact on the environment.

Waste management

During the project, a major focus was placed on the treatment and disposal of waste and recycling materials. To this end, the waste materials generated on the site was sorted and collected on a weekly basis, and an online report was uploaded.

Concrete mix

The targeted Green Star ratings for the contract required a 40% reduction in the amount of cement used. The cement was substituted with industrial waste product or oversized aggregate. Due to the introduction of more slag, this resulted in a longer curing time. The specified formulation was supplied by a reputable company, and while it consisted of far less cement, the mix was approved by an external engineer as having met the necessary strength requirements.

CONCLUSION

The required Green Star rating was successfully achieved, with the office project having successfully reached practical completion, and the building obtained its occupational certificate. In order to meet the client's Green Star requirements, the Building Business Unit had to be creative and more thoughtful in their approach to pricing, procurement, management and executing the construction.

In the construction industry there is very little margin for error and with pressures on time and value, meeting with Green Star requirements can be a challenge. While the adoption of the GBCSA's Green Star rating system by all contractors and subcontractors may take a few more years to achieve, Stefanutti Stocks is eager to promote this green discipline and mindset within the industry. Indeed, the building sector has the potential to substantially improve environmental sustainability, and in the process, provide a better future for the company and its clients.



Client relations

OVERVIEW

As an organisation, the group lives by the "Stefanutti Stocks Way" principle. One of the three elements of this vision is "Client Relations". The group believes in maintaining a close working relationship between its clients and managing client expectations, as this is important for the success of any project.

A good working relationship is based on trust and understanding between all parties and, if managed correctly, this can lead to more permanent, contractual work between the parties. With good relationship management, a mutually beneficial partnership can be established between the parties in the longer term.

CLIENT MANAGEMENT

Understanding the needs of the client and the project is crucial to the success of any project. While it takes time to build and maintain a strong working relationship, Stefanutti Stocks believes it is a cost-effective exercise that can improve productivity and efficiency. The group's approach to managing client concerns and issues in an appropriate manner benefits the relationship in terms of time and budget.

Establishing and maintaining a solid reputation in the construction industry can lead to new project awards by "word of mouth". It stands to reason that a client's experience on a project will determine their public opinions of Stefanutti Stocks.

COMMUNICATION WITH CLIENTS

Continuous communication and engagement with clients, and maintaining a healthy relationship is of great importance in the construction sector. Increasingly within the industry, clients are looking for the "design and build" of numerous infrastructure projects as opposed to one or the other.

The design and build offering from concept to creation greatly improves the future prospects for Stefanutti Stocks in this regard. While clients may have an initial idea for a scheme, the group is able to assist them in shaping and developing their vision into something that can deliver the results they require.

Stefanutti Stocks continually strives to improve on its project delivery. Part of this improvement process is measured by how its clients rate the company across the various sectors by way of a customer satisfaction survey.

CUSTOMER SATISFACTION SURVEY

Stefanutti Stocks conducts customer satisfaction surveys which cover the following topics: time, cost, quality, SHE, general and culture. A questionnaire is sent to clients at regular intervals and is followed by a meeting with senior management to discuss the survey outcomes and any concerns that may exist with current projects and possible future engagements. Stefanutti Stocks has set a minimum benchmark of "4" or 80% for the surveys captured by the client.

Trend analysis

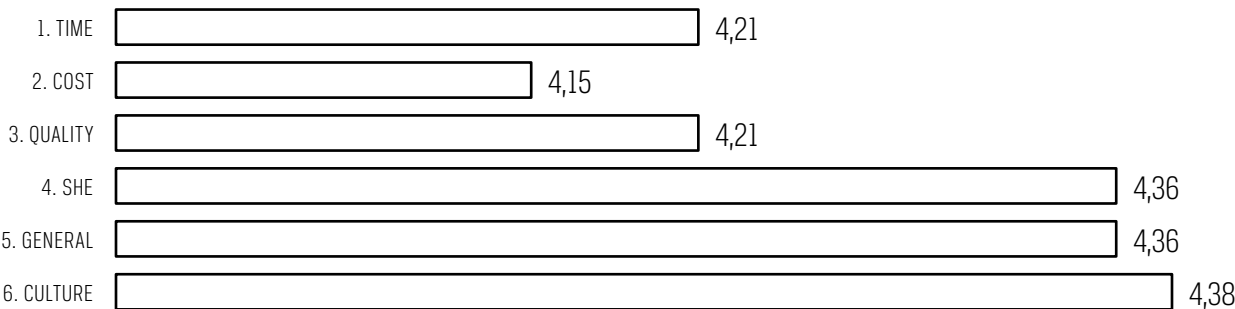
Stefanutti Stocks's policy is to analyse and manage trends related to completed surveys. Sectors that fail to meet the 80% requirement are addressed by the relevant parties with the respective clients. Part of the engagement process with the client is to understand any issues and implement improvement measures to further improve on the low scoring sectors.

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

Stefanutti Stocks is focused on continually improving its customer relations across all sectors of the organisation. Client and service provider relationships are further strengthened by the group's effective application of problem-solving techniques, alternative procurement and methods of execution.

Customer satisfaction survey trend analysis report (average per section)



Note: Average scores above are out of 5.

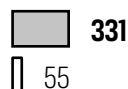
Additional information

Headcount by region: RSA operations

■ MALE □ FEMALE

'20

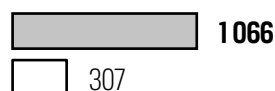
EASTERN CAPE



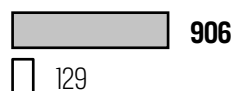
FREE STATE



GAUTENG



KWAZULU-NATAL



LIMPOPO



MPUMALANGA



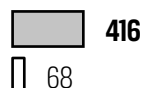
NORTH WEST



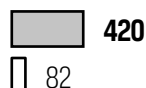
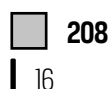
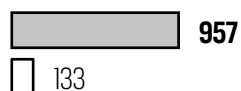
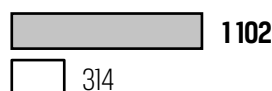
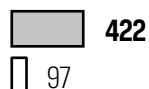
NORTHERN CAPE



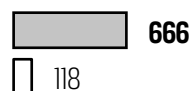
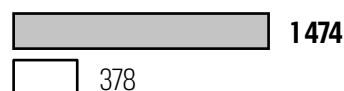
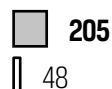
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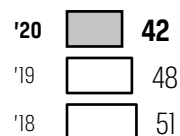
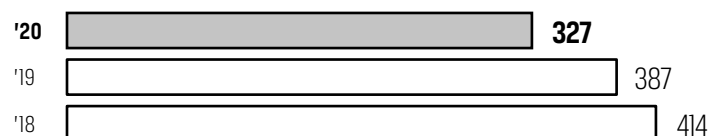
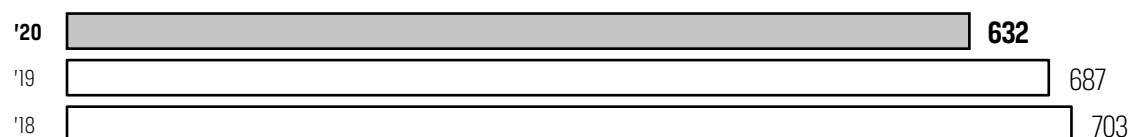
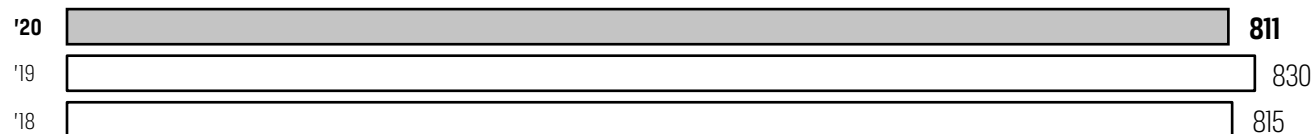
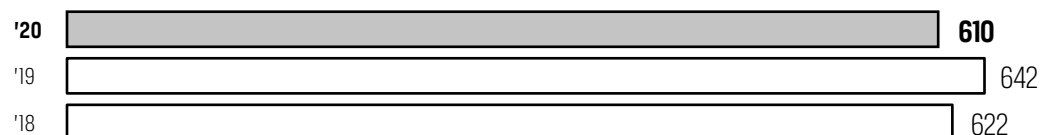
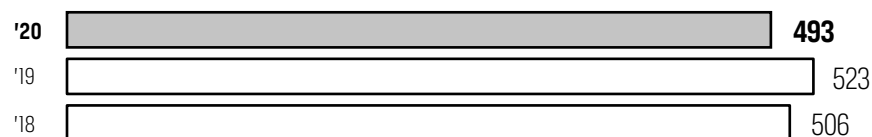
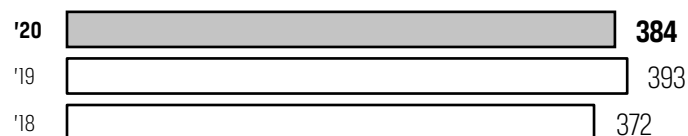
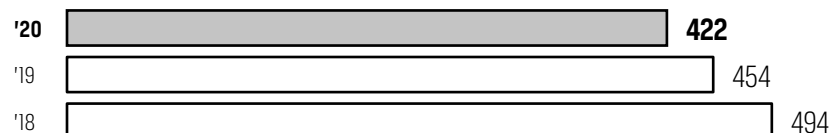


'19



'18



Headcount by age group: RSA operations – permanent employees**20 - 24 YEARS****25 - 29 YEARS****30 - 34 YEARS****35 - 39 YEARS****40 - 44 YEARS****45 - 49 YEARS****50 - 54 YEARS****55+ YEARS**

ADDITIONAL INFORMATION

continued

TERMINATION PERCENTAGES ARE CALCULATED BY USING AVOIDABLE EMPLOYEE TURNOVER AS A PERCENTAGE OF THE 2020 HEADCOUNT

AVOIDABLE EMPLOYEE TURNOVER: TERMINATIONS BY AGE GROUP

Age group	2020			2019			2018		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
18 to 19	–	7	–	–	4	–	–	8	–
20 to 24	20	160	12,5	29	272	10,7	29	288	10,1
25 to 29	106	765	13,9	158	1 114	14,2	156	1 028	15,2
30 to 34	136	1 208	11,3	206	1 522	13,5	164	1 377	11,9
35 to 39	136	1 343	10,1	161	1 530	10,5	134	1 374	9,8
40 to 44	66	963	6,9	77	1 109	6,9	93	1 009	9,2
45 to 49	70	735	9,5	56	818	6,8	54	762	7,1
50 to 54	43	540	8,0	42	567	7,4	48	524	9,2
55+	26	618	4,2	35	641	5,5	30	652	4,6
Total	603	6 339	9,5	764	7 577	10,1	708	7 022	10,1

AVOIDABLE EMPLOYEE TURNOVER: TERMINATIONS BY REGION/PROVINCES

Region	2020			2019			2018		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
Eastern Cape	70	386	18,1	31	519	6,0	18	253	7,1
Free State	2	78	2,6	6	56	10,7	41	107	38,3
Gauteng	132	1 373	9,6	127	1 416	9,0	166	1 852	9,0
KwaZulu-Natal	90	1 035	8,7	64	1 090	5,9	54	784	6,9
Limpopo	72	890	8,1	110	1 386	7,9	37	923	4,0
Mpumalanga	132	1 889	7,0	343	2 315	14,8	267	2 188	12,2
North West	17	92	18,5	10	69	14,5	17	96	17,7
Northern Cape	32	112	28,6	16	224	7,1	44	134	32,8
Western Cape	56	484	11,6	57	502	11,4	64	685	9,3
Total	603	6 339	9,5	764	7 577	10,1	708	7 022	10,1

ADDITIONAL INFORMATION
continued

AVOIDABLE EMPLOYEE TURNOVER: TERMINATIONS BY GENDER

Gender	2020			2019			2018		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
Male	525	5 385	9,7	666	6 449	10,3	643	6 033	10,7
Female	78	954	8,2	98	1 128	8,7	65	989	6,6
Total	603	6 339	9,5	764	7 577	10,1	708	7 022	10,1

AVOIDABLE EMPLOYEE TURNOVER: TERMINATIONS BY RACIAL GROUP

Racial group	2020			2019			2018		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
African	424	5 354	7,9	610	6 369	9,6	507	5 844	8,7
Coloured	42	198	21,2	43	288	14,9	46	244	18,9
Indian	16	130	12,3	12	151	7,9	10	129	7,8
White	121	657	18,4	99	769	12,9	145	805	18,0
Total	603	6 339	9,5	764	7 577	10,1	708	7 022	10,1

AVOIDABLE EMPLOYEE TURNOVER: TERMINATIONS BY OCCUPATIONAL LEVEL

Occupational level	2020			2019			2018		
	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)	Terminations	Headcount	Avoidable employee turnover of headcount (%)
Top management	–	6	–	–	20	–	3	23	13,0
Senior management	10	89	11,2	7	87	8,0	8	95	8,4
Professional	67	336	19,9	38	367	10,4	66	397	16,6
Skilled	154	1 257	12,3	162	1 458	11,1	158	1 327	11,9
Semi-skilled	190	2 740	6,9	340	3 188	10,7	209	2 795	7,5
Unskilled	182	1 911	9,5	217	2 457	8,8	264	2 385	11,1
Total	603	6 339	9,5	764	7 577	10,1	708	7 022	10,1

ADDITIONAL INFORMATION

continued

NEW APPOINTMENT PERCENTAGES WERE CALCULATED BY USING TOTAL NEW APPOINTMENTS AS A PERCENTAGE OF THE TOTAL 2020 HEADCOUNT

NEW APPOINTMENT % PER AGE GROUP

Age group	2020			2019			2018		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
18 to 19	7	7	100,0	5	4	125,0	8	8	100,0
20 to 24	136	160	85,0	250	272	91,9	237	288	82,3
25 to 29	392	765	51,2	706	1 114	63,4	561	1 028	54,6
30 to 34	458	1 208	37,9	721	1 522	47,4	573	1 377	41,6
35 to 39	407	1 343	30,3	554	1 530	36,2	442	1 374	32,2
40 to 44	304	963	31,6	357	1 109	32,2	302	1 009	29,9
45 to 49	176	735	23,9	195	818	23,8	194	762	25,5
50 to 54	121	540	22,4	128	567	22,6	112	524	21,4
55+	137	618	22,2	125	641	19,5	91	652	14,0
Total	2 138	6 339	33,7	3 041	7 577	40,1	2 520	7 022	35,9

NEW APPOINTMENT % PER REGION

Region	2020			2019			2018		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
Eastern Cape	244	386	63,2	349	519	67,2	195	253	77,1
Free State	16	78	20,5	7	56	12,5	41	107	38,3
Gauteng	301	1 373	21,9	300	1 416	21,2	539	1 852	29,1
KwaZulu-Natal	500	1 035	48,3	624	1 090	57,2	271	784	34,6
Limpopo	278	890	31,2	721	1 386	52,0	541	923	58,6
Mpumalanga	386	1 889	20,4	662	2 315	28,6	650	2 188	29,7
North West	118	92	128,3	37	69	53,6	17	96	17,7
Northern Cape	134	112	119,6	205	224	91,5	24	134	17,9
Western Cape	161	484	33,3	136	502	27,1	242	685	35,3
Total	2 138	6 339	33,7	3 041	7 577	40,1	2 520	7 022	35,9

NEW APPOINTMENT % PER GENDER

Gender	2020			2019			2018		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
Male	1 827	5 385	33,9	2 531	6 449	39,2	2 064	6 033	34,2
Female	311	954	32,6	510	1 128	45,2	456	989	46,1
Total	2 138	6 339	33,7	3 041	7 577	40,1	2 520	7 022	35,9

ADDITIONAL INFORMATION
continued

NEW APPOINTMENT % PER RACIAL GROUP

Racial group	2020			2019			2018		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
African	1 911	5 354	35,7	2 728	6 369	42,8	2 280	5 844	39,0
Coloured	95	198	48,0	140	288	48,6	96	244	39,3
Indian	17	130	13,1	41	151	27,2	30	129	23,3
White	115	657	17,5	132	769	17,2	114	805	14,2
Total	2 138	6 339	33,7	3 041	7 577	40,1	2 520	7 022	35,9

NEW APPOINTMENT % PER OCCUPATIONAL LEVEL

Occupational level	2020			2019			2018		
	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)	New appointments	Headcount	New appointment (%)
Top management	–	6	–	–	20	–	–	23	–
Senior management	6	89	6,7	3	87	3,4	5	95	5,3
Professional	49	336	14,6	41	367	11,2	47	397	11,8
Skilled	252	1 257	20,0	321	1 458	22,0	255	1 327	19,2
Semi-skilled	739	2 740	27,0	1 138	3 188	35,7	819	2 795	29,3
Unskilled	1 092	1 911	57,1	1 538	2 457	62,6	1 394	2 385	58,4
Total	2 138	6 339	33,7	3 041	7 577	40,1	2 520	7 022	35,9

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 (%)
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
2018										
Total RSA citizens	89	45	50,6	73	82,0	2 970	1 593	53,6	2 548	85,8
Construction & Mining	50	29	58,0	42	84,0	1 631	935	57,3	1 396	85,6
Building	27	13	48,1	23	85,2	914	561	61,4	836	91,4
Mechanical & Electrical	9	–	–	7	77,8	328	–	–	284	86,6
Corporate Services	3	3	100,0	1	33,3	97	97	100,0	32	33,0



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: 23.13 points; MC: 10.38 points; SD: 25.45 points; ESD: 35.64 points; SED: 6 points		
Discounting Principle Applied	No	Measurement Period Year End	28/02/2019
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	58.57%	Black Women Voting Rights	2.45%
Black Economic Interest	58.10%	Black Women Economic Interest	2.24%
51% Black Owned *	Yes	30% Black Women Owned *	No
Black Designated Groups	3.98%	Exclusion Principle Applied	

Issue Date	01/08/2019
Expiry Date	31/07/2020
Certificate Number	ELC8599-2RGENBBCON replacing ELC8599RGENBBCON
Version	Final - Revised 11/11/2019
Applicable Scorecard	Amended Construction - Generic
Applicable BBEE Codes	Amended Construction Sector Codes Gazetted 1 December 2017



SANAS Accredited



Per Gianna Le Roux
Member - Verification Committee

BVA018

This certificate supersedes any previous certificates issued to the Measured entity. This certificate is the result of an independent and impartial verification of the BBEE 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

"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

"NCR"

Nonconformance management

"OHS"

Occupational health and safety

"OHSE"

Occupational health, safety and the environment

"OHS MS"

Occupational health and safety management system

"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 29 February 2020

"the next year"

The financial year ended 28 February 2021

"the previous year"

The financial year ended 28 February 2019

"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: 29 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 18 August 2020: ZJ Matlala* (Chairman); HJ Craig*; B Harie*; BP Silwanyana*; JM Poluta* (alternate to BP Silwanyana); DG Quinn*; R Crawford (CEO); AV Coccianti (CFO)

* Independent non-executive directors.

Company Secretary

WR Somerville

2nd Floor, PPI House, 9A Sturdee Avenue, Rosebank, Johannesburg

Telephone number: +27 11 326 0975

Auditors

Mazars

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PO Box 6697, Johannesburg, 2000

Telephone number: +27 11 547 4000

Attorneys

Webber Wentzel

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PO Box 61771, Marshalltown, 2107

Telephone number: +27 11 530 5000

Transfer Secretaries

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Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

PO Box 9000, Saxonwold, 2132

Telephone number: +27 11 370 5000

Sponsor

Bridge Capital Advisors (Pty) Ltd

50 Smits Road, Dunkeld, 2196

PO Box 651010, Benmore, 2010

Telephone number: +27 11 268 6231

Bankers

Absa Bank Limited

Banco Unico

Banco Comercial e de Investimentos

Banco Internacional de Moçambique

First National Bank, a division of FirstRand Bank Limited

Nedbank Limited

Nedbank (Swaziland) Limited

Société Générale Moçambique

Stanbic Bank Zambia Limited

Standard Bank Swaziland

The Standard Bank of South Africa Limited

Website

www.stefanuttistocks.com

